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THE WORLD IN BOOKS . . .

By John Chamberlain

THIS month's emphasis is on propaganda. Walter Millis's *Road to War: 1914-1917* (Houghton Mifflin, \$3) offers a detailed exhibition of the propagandistic weapons that were used to involve the United States in the World War on the side of the Allies. *Handout*, a book by two Washington correspondents who have adopted the pseudonym of George Michael (Putnam, \$2), insists that Franklin Delano Roosevelt learned a thing or two from George Creel in the days of 1917-18, and is now busy applying this nefarious knowledge to manipulate the country unjustifiably to New Deal ends through a disguised but effective control of press, radio-broadcasting systems, the motion-picture industry and word-of-mouth rumor.

As one who has long battled for the establishment of Mr. Millis's point of view (that the elder La Follette was right in trying to keep us out of the European mess in 1917), this reviewer was both amazed and amused at the reception accorded *Road to War*. Six years ago C. Hartley Grattan's *Why We Fought* (the pioneer work on the subject) set forth the argument that Allied propaganda, working upon a natural American predisposition to side with Great Britain in the defense of the Anglo-Saxon cultural heritage, brought American bankers, politicians and people to an effectively non-neutral stand long before we had sent a soldier to France.

Mr. Millis does not make as much of the economic argument as Mr. Grattan, but both of them are convinced that huge private loans arranged by J. P. Morgan to the Allied governments certainly added to the original "community of interest" that we felt in our relations with Great Britain and France. One does not have to subscribe to the statement that we entered the war "to defend the Morgan loans" to believe that the United States would have stood a better chance of keeping out of war if the loans had never been made.

Several years back one was looked upon as a hot-head or a rude fellow if one said the things that Mr. Millis is being applauded for saying today. The wheel has come full-cycle; the "little group of willful men expressing no opinion but their own" (as Wilson called the Senators who stood out against the declaration of war in 1917) have come into their own.

It is at last clearly glimpsed that Walter Hines Page, our Ambassador to Great Britain, was not neutral, but pro-English; that Myron

T. Herrick, Ambassador at Paris, was pro-French; that Colonel House, in his many conversations with important people abroad, confused neutrality with the American attempt at bringing the war to a close in such a way as to favor the Allies over the Central Powers; that our banking community (with large British and French entanglements before 1914) was bound to be pro-Ally, both in sympathy and in the more important practice of lending money; that our newspapers, with badly organized and inadequately trained foreign staffs, tended to take their European news as exclusively interpreted by London; that Great Britain, with her control of the cable service, exercised an effective war censorship; that the British blockade which kept American goods out of German ports was on a par, morally, with the German submarine campaign that tried to keep American goods out of British ports; that Edith Cavell and Mata Hari were both shot for the same reason; that atrocity stories were manufactured by both sides—but the list could be stretched out to doomsday.

* * *

More important to the present is Mr. Millis's vindication of William Jennings Bryan as a statesman. Bryan, he shows, had a clear picture of the economic background of modern war. In 1914 he sent a warning to J. P. Morgan & Co. against financial entanglements. The note, as quoted by Millis, reads: "In the judgment of this government, loans by American bankers to any foreign nation which is at war are inconsistent with the true spirit of neutrality." This, says Mr. Millis, "was a first, and very wise, step toward a positive neutrality policy."

Mr. Grattan has already called Mr. Millis to account for failing to cite the cablegram sent by Walter Hines Page to Woodrow Wilson on March 5, 1917. The result of a stoppage of American credit to the Allies, said Page, "will be a panic in the United States. * * * The financial and commercial result will be almost as bad for the United States as for Europe. We shall soon reach this condition unless we take quick action to prevent it. Great Britain and France must have a credit in the United States which will be large enough to prevent the collapse of world trade and the whole financial structure of Europe. * * * Of course we cannot extend such a credit unless we go to war with Germany." (My italics.) "The

pressure of this approaching crisis," said Mr. Page in elaboration, "has gone beyond the ability of the Morgan financial agency for the British and French Governments." And, as Mr. Grattan points out, the overdraft of \$400,000,000 owed by Great Britain to J. P. Morgan & Co. was eventually underwritten by the United States Government.

So much for the "road to war" in 1917. But Mr. Millis does not wish his influence to stop with promoting a reconsideration of the past; he wants Americans to apply what he has to say to the present and the future. For the sake of the record, one should add that Professor Edwin M. Borchard of the Yale Law School, George Sylvester Viereck in *The Strangest Friendship in History*, Randolph Bourne's *Untimely Papers*, Charles A. Beard in various paragraphs (notably the one on the sinking of the Lusitania in *The Rise of American Civilization*), Louis Hacker and Benjamin Kendrick in *The United States Since 1865*, a host of publicists of the stripe of Frederic C. Howe, Lincoln Steffens and William C. Bullitt, as well as Mr. Grattan in *Why We Fought*, did yeoman work through unpopular years in championing the ideas presented so engagingly by Mr. Millis. I emphasize these names without wishing to detract from *Road to War*, which is deservedly popular.

"George Michael" thinks President Roosevelt learned a lot about the manipulation of public opinion in the war years. Says *Handout*: "In this country an important part of the administration censorship and propaganda system was the Naval Information Committee, of which Assistant Secretary of the Navy Franklin Delano Roosevelt was a member. Secretary of that committee, in complete charge of the system, was Marvin Hunter McIntyre. Franklin Delano Roosevelt is President of the United States today. Marvin Hunter McIntyre is assistant secretary to the President, in charge of appointments and political affairs." Another wartime propagandist who assists the President in his press and public relations is Stephen Early, who was a member of the editorial group that decided what news the American Expeditionary Force would read in France.

It is Mr. Michael's contention that unwelcome questions are choked off in the Roosevelt press conferences as surely as they ever were at the Hoover conferences, that the "hand-out" system has been developed into a fine art, that a liberal policy of buying out important journalists by giving them government jobs is followed, that the President exercises a sinister control over the American radio broadcasting systems, that many supposedly free-lance writers artfully hand out government stuff as their own and can be found somewhere on the government payrolls, that

Farley has attempted to bring the moving picture industry under the control of the Democratic party, and that rumors are skillfully employed to make political capital for the New Deal. One would not be so impressed by the work of men who hide under a pseudonym if one did not remember a speech delivered by Arthur Krock last Winter. Mr. Krock also protested against silent but insistent pressure brought to bear on journalists by the Roosevelt government.

* * *

Propaganda has a way of boomeranging on the employer thereof, as is shown by Raymond Gram Swing's *Forerunners of American Fascism* (Messner, \$1.75). Mr. Swing claims that General Hugh S. Johnson's speech linking Huey Long and Father Coughlin together was, in reality, a ten-strike for Huey, inasmuch as it "handed" Coughlin's following to the gentleman from Louisiana. Huey Long, coming as he does from the Ku Klux belt, had never dared raise the question of his political kinship with the Catholic Father Coughlin. Besides Huey Long and the "radio priest," the "forerunners of Fascism" considered by Mr. Swing are Senator Bilbo of Mississippi, Dr. Townsend of the "revolving" pension plan, and William Randolph Hearst, whom Mr. Swing portrays as the symbol of "the lower middle class in decay."

Most people hope to escape the Fascist menace, not through socialism, but through a revival of industry. *The Frustration of Science* (Norton, \$2), a symposium to which Frederick Soddy contributes an introduction, holds out little hope for this revival. The burden of *The Frustration of Science* is that the debt-creating machine of finance capitalism both forges fetters for newer and better means of production and also makes for fascism in the act of forging the fetters. One of the contributors to the symposium, J. D. Bernal, complains that the "vested interests" of steel and iron effectively prevent the coming of a superior alloy age to insure payment of the debt service on the existing bond structure that helped build the Pittsburgh and Bethlehem and Ohio mills. Business, says Professor P. M. S. Blackette, will be compelled to sabotage science in the effort to limit production.

Capitalism and Its Culture, by Jerome Davis (Farrar & Rinehart, \$3), would seem to substantiate the point of view of *The Frustration of Science*. But Paul H. Douglas's *Controlling Depressions* (Norton, \$3) may bring hope to those who look to a revival of industry. Professor Douglas's notion is that if labor increased or decreased its wages in proportion to the increase or decrease of dividends on a sort of sliding-scale arrangement, there would be fewer sharp disruptions of the business structure.

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Continued from Page IV

The past month saw the publication of three remarkable autobiographies that bear on the political questions of the day. Anna Louise Strong's *I Change Worlds: The Remaking of an American* (Holt, \$3) is the impassioned, almost lyrical story of how an American progressive of the pre-war "social justice" period made herself over into a Communist. Agnes Smedley's revised *Daughter of Earth* (Coward-McCann, \$2), with an introduction by Malcolm Cowley, brings the public that overlooked this book in its original form in 1929 the opportunity to make the acquaintance of a remarkable personality. Miss Smedley was a child of the Missouri backwoods and Colorado mining camps, and her story has been nominated in more than one place as "one of the greatest American autobiographies."

The third important autobiography, Lilo Linke's *Restless Days* (Knopf, \$3), is a sensitive re-creation of the life of a young girl who lived through the war, the inflation and the pre-Fascist days in Germany. A republican who fought the influence of Hitler in the German youth movement, she now lives in England.

* * *

The American novels of the month, like the autobiographies, have political significance. James T. Farrell has concluded his trilogy about Studs Lonigan with *Judgment Day* (Vanguard, \$2.50), in which Studs, the Irish-American boy who grew up to be a tough guy on Chicago's South Side, pays the penalty for too much debauch. By artful suggestion Mr. Farrell makes Studs the symbol of an era and a class. *Judgment Day* is written in the vernacular, as is Robert Whitcomb's *Talk United States* (Smith & Haas, \$2), a novel about an American "working stiff" who passes through various instructive phases to a point where he is willing to consider the formation of an American "labor party."

Both Rachel Field and Gladys Hasty Carroll have written stories of Maine that are imbued with a nostalgic hankering for the simpler past. Miss Field's is *Time Out of Mind*; Miss Carroll's is *A Few Foolish Ones*. (Each is published by Macmillan for \$2.50.) Another American novel of the month, *Shoulder the Sky*, by James Gray (Putnam, \$2.50), eschews social and political questions to concentrate on the psychological aspects of the early days of marriage. Katherine Brush's light and sparkling *Don't Ever Leave Me* (Farrar & Rinehart, \$2) has a moral: Sons who are neglected by their mothers will come to bad ends.

J. Leslie Mitchell, the archaeologist and soldier who liked to write novels under the pseudonym of Lewis Grassie Gibbon, died before the American publication of his *Grey Granite* (Doubleday, Doran, \$2.50), which completed

a magnificent trilogy of changing life in Scotland that began some years ago with *Sunset Song*. *Grey Granite*, the story of the struggles of an idealistic young man in an industrial town on the North Sea coast, might be called a "proletarian" novel; if it so classifies, it is one of the best of the breed.

Enid Bagnold's *National Velvet* (Morrow, \$2.50) manages to escape the troubled world of today by turning to the world of childhood and horses. *National Velvet* is magnificent entertainment. Thomas Mann's *Young Joseph* (Knopf, \$2.50), second in the trilogy of *Joseph and His Brothers*, seeks to "psychologize" the biblical characters and also to delve into the myth-making propensity of the human mind.

People whose interest is in gossip about books will want George H. Doran's *Chronicles of Barabbas: 1884-1934* (Harcourt, Brace, \$3.50), which wanders in leisurely fashion through fifty years of American publishing of English authors, and Christopher Morley's very literary travel essay, *Hasta la Vista* (Doubleday, Doran, \$2), which is ostensibly the account of a trip to Peru on the Grace liner Santa Maria. Mr. Morley mixes sight-seeing with mellow thoughts of Stevenson's *Treasure Island* and Conrad's *Nostromo*.

Karl Baarslag, a marine wireless operator, in his fascinating *SOS to the Rescue* (Oxford, \$2.50), gives an account of the part played by the men of his craft in some of the great rescues of recent maritime history.

Japan in Crisis

JAPAN IN CRISIS. By Harry Emerson Wildes. New York: The Macmillan Company, 1934. \$2.

THIS friendly but realistic appraisal of Japan today smacks of the whole truth; seems, indeed, to be nearer the true picture of Japan's spiritual turmoil than any other recent book. Mr. Wildes knows the economic factors that influence much of Japanese policy, but he is much more interested in the mental reaction of the nation to the struggle with the West. The question he poses is this: Can Japan go just so far in emulating the West and no further?

ROBERT L. BAKER.

Indian Capitalism

THE DEVELOPMENT OF CAPITALIST ENTERPRISE IN INDIA. By Daniel H. Buchanan. New York: The Macmillan Company, 1934. \$5.

PROFESSOR BUCHANAN, aware of what capitalist enterprise has meant in the Western world, has written a history of its growth in India. Twelve years in the Orient, of which two were spent in travel and study in India, provided an intimate background for his study. Most of his material is drawn from official sources, but the author has been fortunate in that a remarkable series of governmental reports were being prepared while he was at work. He has drawn freely on them and has also been aided by Vera Anstey's *Economic Development of India*. The

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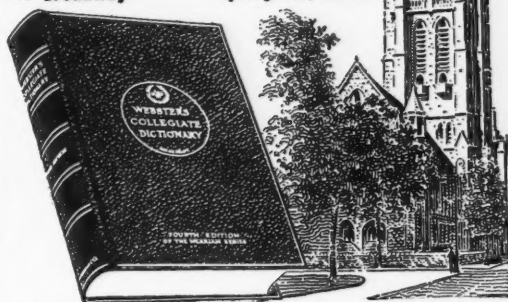
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CURRENT HISTORY

JUNE 1935

What Next in Europe?

By FRANK H. SIMONDS*

AFTER nearly four months of rapidly succeeding crises, conferences and conversations, Europe, in the first days of May, saw a pause which might perhaps be described as a truce of exhaustion. Rome, London, Berlin, Stresa and Geneva, each in turn had been the scene of a meeting of statesmen whose consultations filled the world with their echoes. Anthony Eden, the British Lord Privy Seal, transformed into a "bagman" of peace, had made his spectacular round of the Continent, and Tory Minister and Red Commissar had toasted George V in the Kremlin. The Council of the League had condemned German rearmament and Adolf Hitler had interrupted his birthday celebration to dispatch formal, but not too violent, responses to the nations responsible for the verdict of Geneva.

Inevitably Europe and the world

*Newspaper correspondent and editor of many years' standing, Mr. Simonds is a leading American authority on European affairs. His latest book is *The Price of Peace* (New York: Harpers).

asked anxiously, "What next?" Looking backward over the events that had crowded the press since the start of the year, one fact at least seemed unmistakable. Viewed as another round in the struggle between National Socialist Germany and the rest of Europe, this period had amounted to something like a stand-off. Hitler had successfully asserted Germany's right to rearm. Part V of the Treaty of Versailles had followed the reparations sections into the discard. But, by contrast, the effect of the German gesture had been to bring about a surprising degree of accord between the other great powers of the Continent and Great Britain.

Those who recall the years before the World War instinctively identified the crisis precipitated by the latest German gesture with the several "affairs" that preceded the final catastrophe of Sarajevo. Tangier, Bosnia and Agadir came most readily to mind. All things considered, moreover, the recent incident most vivid-

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ly recalled the Bosnian episode. Then Austria also tore up a treaty. Then German prestige was temporarily enhanced when a show of force in Berlin was followed by surrender in St. Petersburg and Paris.

After Bosnia, however, Russia, France and Great Britain visibly drew together. The Triple Entente began to assume an appearance of solidity and, half a dozen years later, the ultimate consequences of Bosnia were disclosed in the alignment of nations after Vienna had dispatched its fatal ultimatum to Belgrade. In an odd fashion, therefore, the same tactics employed by Germany in 1908 and 1935 appeared to be producing identical consequences.

The tempo of events a quarter of a century ago was, however, much less rapid than in 1935. Thus, in little more than two years after Hitler gained complete control, Europe saw three "incidents" at least as serious as those that occurred in the decade between Tangier and Sarajevo. The German withdrawal from the League in October, 1933, the Putsch in Vienna in July, 1934, the recent "defi" of March, 1935, these episodes followed one another so rapidly as to give the impression of a continued crisis.

Manifestly, however, this pace could not be maintained if actual war were to be prevented. And no country wanted war. That was why a pause seemed indicated, a pause during which German soldiers would seek to complete their military preparations and German statesmen would strive to break down the circle of bayonets that recent events had drawn about the Reich. Meantime, from what direction was it likely that the next crisis would come?

The question was obviously difficult if not impossible to answer because the tension of recent months

had been so great that incalculable consequences might follow an incident in itself relatively insignificant. The truth of this statement was fully established by the enormous repercussions that followed the passing of a death sentence upon Nazi agitators in Memel by the Lithuanian Government. Overnight all Germany flamed into fury and fresh anxiety seized Chancelleries everywhere. All calculations had, therefore, to start from the acceptance of the fact that the peace of Europe was at the mercy of an incident.

Barring such an incident, however, it seemed reasonable to suppose that the next crisis would come over the demilitarized zones. For all practical purposes this was the last of all the restraints upon German sovereignty imposed by the Treaty of Versailles, as it was also one of the most unjust and intolerable. All other countries were free to fortify their frontiers and to concentrate as large a portion of their military forces as they might choose in their border provinces. But, in the West, Germany was thrown back behind and away from the right bank of the Rhine, and all the region west of that river from Switzerland to Holland was destitute alike of forts and garrisons.

The factories and foundries of the lately recovered Saar were now under the guns of the new French system of fortifications. At the declaration of war French troops would have hardly a dozen miles to go to occupy the larger portion of this region with its important coal mines, whereas the German would have to cover the better part of a hundred miles. Not only the Saar but most of the Rhineland as well was thus, in effect, a hostage to France as long as this demilitarized zone should endure.

The possibility that Germany might

seek to end this status quo suddenly and violently was in the minds of the statesmen who framed the recent decisions in Geneva. In fact they plainly forecast the preparation of a program of common action if Germany undertook by unilateral denunciation to reduce to a scrap of paper this ultimate restraint of the Treaty of Versailles as she had already repudiated the armament restriction. Presumably the warning thus conveyed would serve to postpone German action, but could it prevent it permanently?

Nothing seemed less likely. On the contrary, some day when German military preparations had made sufficient progress, the military frontier of the Reich would be moved up to the Rhine, perhaps quietly, possibly openly, but in either case secrecy would be impossible. And if, then, protest were not accompanied by action, military occupation of the region beyond the Rhine would follow, accomplished either by slow infiltration or by swift occupation. France and her allies, in fact all Europe, would then be confronted by another *fait accompli*. Would a program of economic sanctions have been prepared to meet this challenge? It was possible but far from certain.

In no long time Germany might not impossibly profit by the outcome of a general election in Great Britain. Nor was it less patent that the domestic political crisis in France, precipitated by the Stavisky case, had been adjourned rather than adjusted. Thus there was plain possibility that before the end of 1935 events beyond German frontiers might bestow upon Hitler a new chance to move. Miscalculation by the Reichsfuehrer, at this point, would be dangerous, however, for it was a misunderstanding of the actual extent and effect of the Irish

crisis in 1914 that contributed to German undoing after Serajevo.

If France should submit to German advance to the present frontier, then the end of the Treaty of Versailles would be reached. If she did not, then there would be war. Her decision, moreover, would turn upon her own domestic political situation and upon the readiness and ability of her present allies and associates to support her in what would be an actual if belated war of prevention. Henceforth, too, it would be safe to calculate that the eyes of all French soldiers would be fixed on the demilitarized zones, anxiously awaiting a sign and, if that sign appeared, then the most acute crisis since the occupation of the Ruhr would come.

German diplomatic strategy was therefore obvious in advance. What the Wilhelmstrasse was bound to attempt was to drive a series of wedges between the prospective allies who were her potential enemies. Thus Germany would unquestionably seek to exploit British reluctance to engage in Central European combinations to reawaken the traditional continental suspicion of "perfidious Albion." Similarly she would try to break down present Franco-Italian friendship by stirring up new friction between the allies of France and of Italy in the Danubian Basin. Last of all, she would strive to strengthen the doubts alike in France and in England over the wisdom of close association with Red Russia.

If, too, in the Danubian region Hitler could, by boring from within, bring about the fall of the Schuschnigg Cabinet in Vienna and come to terms with the Goemboes Ministry in Budapest, the consequences of such a double success might be incalculable. Meantime German policy would unquestionably be directed to

the end of preventing the formulation of any Danubian Locarno, which, in fact, would not be a difficult task, since without German participation the proposed agreement would be worthless.

In the East the situation was patently confused. Hitler had bought Poland off for the moment by the Ten-Year Non-Aggression Pact. If, moreover, Poland voted with the critics of Germany in Geneva recently, the decision of Warsaw awakened no loud protest in Berlin. Obviously, Poland had been caught between two fires. If Hitler decided to attack the Soviet Union, he might ask free passage of his troops across Poland. If Poland refused, then once more the country would be the battleground between Slav and Teuton. If she acceded, then, although the battle would be fought on Soviet soil, her later dealings with a victorious Reich might be difficult and she might find herself compelled to accept Lithuania as consolation for the surrender of both the Corridor and Upper Silesia.

Meantime, it was plain that Warsaw was going to be the battlefield between German and Franco-Russian diplomacies. Nor was it less evident that a similar struggle would be waged between the elements within the Polish nation that were divided over the question of an eastern or a western orientation, that is, over the relative advantages of an alliance with the Soviets, backed by France, or with the Germans, who stood alone. Much, too, might well depend upon the course followed by the British in the next few months.

If Germany found herself before long completely isolated, that is, if her opponents succeeded in detaching Poland from her and arresting her operations in Austria and in Hungary, it was evident that only a counsel of

desperation could lead her to engage in war. Such a counsel of desperation could only prevail if the domestic economic conditions reached a point where Hitler and the captains of industry and finance surrounding him had to choose between foreign war and domestic upheaval. Then, of course, the decision would be obvious. But the army would certainly plead for the longest possible delay in view of the existing odds against them.

There was, moreover, one other immediate danger and that arose from the imponderable. Hitler, himself, still remained an incalculable factor. A mystic who believed in his mission and was at times responsive to inner inspirations that bore no relation to outward realities, he had on many occasions shown his tendency to do the unexpected suddenly and violently. And in his withdrawal from the League and in his rearmament performance he had, at least in his own and in his followers' eyes, been brilliantly successful. Always, therefore, it would be necessary to reckon with a factor that could not be reduced to the terms of ordinary statesmanship or rational policy.

During the pause in the first days of May, the German people, the German Army and the German Dictator were in full accord in their desire to avoid war. As for Hitler, however, it was evident that many of the things he intended to accomplish, notably Austrian Anschluss and Ukrainian conquest, could not be achieved save by conflict. And before he could embark upon adventure east or south, he would have to cover his rear by abolishing the demilitarized zone on the Rhine, an undertaking which in itself might lead to war immediately. Meantime, no one could mistake the fact that in contemporary Europe the Germany of Hitler had come to oc-

The Cost of Defeat to Germany

The following were the chief results to Germany of her defeat in the World War and the terms exacted from her by the Treaty of Versailles:

1. Loss of 25,000 square miles of her territory in Europe, containing valuable mineral and other resources, with a population of over 6,000,000.
2. Loss of all her colonies, with an area of about 1,000,000 square miles and over 12,000,000 native inhabitants, and forfeiture of almost all her investments and holdings abroad, estimated before the war as worth \$6,000,000,000 and representing nearly 10 per cent of her wealth.
3. Liability for reparations fixed at nearly \$33,000,000,000 by the Allies in 1921.
4. Reduction of her merchant marine from 5,500,000 tons to 400,000 tons.
5. Reduction of her navy (at the time second only to that of Great Britain) to 6 small battleships (10,000 tons) and 6 light cruisers, with complete prohibition of submarines.
6. Reduction of her army to one-eighth of its pre-war size and one-seventh of the French Army.
7. Disorganization and general impairment of her industry and commerce.

cupy the place in the minds of Continental statesmen and peoples that the France of Napoleon once held. Little by little Hitler had convinced most European countries that their security was at stake and at long last he had also implanted something of the same suspicion in the British mind.

It might now be fairly questioned whether, if this state of mind endured, much less if it became intensified, the several European nations would sit silent and immobile, as Hitler, step by step, moved toward the attainment of his various objectives. On the contrary, if all countries had become equally scared, then a new situation would arise. The student of history could not help recalling the relatively considerable time that it took for all the European rulers and statesmen to make up their minds that peace and Napoleon were irreconcilable. But when they did reach that decision the fall of the First Empire followed within two years.

As to the European situation, Hitler, himself, had already fallen victim to several delusions. In his book he wisely concluded that British friendship was necessary to the success of his plans for Germany. What he failed to see was that his air and submarine plans must make Anglo-German friendship out of the question, so long as he ruled the Reich. In the same way he counted upon French hatred of communism to keep the Soviet Union and the French Republic apart. But at Stresa and at Geneva, France, Britain and the Soviet Union acted together and Italy shared in their decisions.

If Hitler had been a statesman, instead of a racist Messiah, it would have been possible to hope that recent events might have taught him the basic fact that it was not by the show of force, as he had hoped, but only by the use of force, that he could get for Germany what he sought for her and that every show of force must multi-

ply the odds against his adopted country. But Hitler was not a Bismarck, not a practitioner of *Realpolitik*; primarily he was a prophet and not a practical politician. Oddly enough, too, Hitler's present state of mind recalled the last and fatal stage of the great Napoleon, when belief in his star led the Emperor to challenge a Europe that his own unbalanced ambition had consolidated into an irresistible coalition.

Hitler's situation in May, 1935, was, of course, far from that of Napoleon in 1814. The process of consolidation against Germany was as yet far from as complete as when the foes of Napoleon made the Agreement of Chaumont. Not without reason Hitler might still hope to detach Great Britain from France and France from Russia. To renew the old feud between Italy and the Little Entente was also not beyond reasonable hope. On the other hand, such was the degree of alarm he had created everywhere in Europe that any new adventure in the immediate future would almost inevitably lead to the further hardening of the combination now just taking form.

Nor was it less evident that at Geneva the principles of Metternich had replaced the ideals of Woodrow Wilson and that the League, itself, had been transformed into a new Holy Alliance. Thus, if a coalition of European powers should undertake any form of coercion of the Reich, it would be assured of the benefit of the legal warrant and the moral approval of the League for its operation. And this evolution would be the inevitable, if unforeseen, consequence of the withdrawal of Germany from Geneva. Henceforth all the not inconsiderable machinery of the League could and would be exploited in the interests of the opponents of Germany.

In his book, *My Battle*, Hitler clearly and uncompromisingly set forth a program which could be realized only by the partition of several Continental countries and the compromise of the security of all. In the main, too, he had, since he came to power, consistently pursued the objectives he outlined in advance. If he had shown any signs of change it was only in the case of France definitively and of Poland provisionally. Doubtless he would have been glad to give any possible assurance to the French as to their own security, if he only could persuade them to wash their hands of Danubian and Ukrainian questions. And this change was due to the tardy perception that to fight France meant also to fight Britain.

Had it not been for the material circumstances of the Reich, Hitler might have hoped to succeed at home even if he were unable to realize any considerable part of his program of national expansion. Mussolini had already won an enduring place in history for himself by reason of his achievements as an administrator and won it without war. But as a prophet, as the new Moses of another Chosen People bound for the Promised Land of a Third Reich, Hitler must prove a failure in his own eyes unless he could carry out those prospectuses which only war could turn into realities. And no one had yet suggested that advent to power and the responsibilities of office had materially modified the outlines of his vision.

But one had to face the economic as well as the evangelical aspect of Hitler's problem. Germany, the second largest industrial nation of the world, now possessed upon her own soil only coal among all the essential raw materials of industry. Condemned to acquire her iron, copper, oil, cotton, wool and a score of other necessities

abroad, she was equally destitute of cash and credit. To supply her machines, and thus to employ her workers, she had therefore to sell her own goods abroad. Failing that, she found herself in precisely the same plight as during the World War, when the Allied blockade hermetically sealed up her ports.

Unless, therefore, Germany could persuade other countries to open their markets to her goods, she was confronted by the prospect of mounting unemployment, declining standards of living and, eventually if not immediately, the certainty of domestic upheaval. Expansion or explosion had thus become the ultimate alternative of any government that might rule in the Reich, whether republican, imperial or Nazi, unless peaceful solution could be found for the economic problem. If the government could not provide raw materials for its machines, employment for its workers, prosperity for its capitalists, then it could not hope to last and, in the end, would prefer foreign war to domestic suicide.

Were it not for the economic problem, it was hard to believe that the industrial, financial and military leaders of Germany would permanently submit to the dangerous experiment of Hitler. Whatever might be true of the masses of the German people, it was a fair calculation that the excesses and extravagances of the Reichsfuehrer and his immediate followers had found little serious lodgment in the cool brains of the military and industrial leaders. Contrary to the current delusion in the United States, neither business nor finance in any country in Europe normally looked with enthusiasm upon conflict. Nor did the best military minds in the world glow with pleasure at the prospects of a new war like the last, with

Germany against the world. German industrialists and financiers had undoubtedly already arrived at the conviction that if the tariff and currency policies of the more fortunate great powers possessing an approximate monopoly of the raw materials of the earth, namely America, Britain, France and the Soviet Union, were to endure and if, in addition, Germany were forever to be restricted to her existing territories, then there was no way out of the situation save war. And under such circumstances the Messiah complex of Hitler would prove an invaluable agency in making fanatics of a people condemned to fight for material existence.

To sum up the situation after the League Council meeting in April: War seemed unlikely because Germany was not ready to embark upon armed aggression, and her prospective foes were unwilling to resort to a war of prevention. Barring some accident like Sarajevo, therefore, Europe was now more likely to enjoy a pause than to experience any acute crisis like those which in the past two years had shaken the Continent with their repercussions. And this was the case because the tension had already become so great that a new crisis might have incalculable consequences; in fact, the situation might get completely out of hand.

But this period of truce, accompanied by a time of enormous diplomatic activity, was wholly unlikely to lead to the making of real peace, because under existing conditions there could be no basis of compromise between Germany and the rest of Europe. And that situation must endure just as long as the industrial and financial leaders in the Reich remained satisfied that under present circumstances the German alternative was conquest or communism. All the

pacts, covenants and Locarnos that might be designed could have no relevancy to this problem because all must obviously aim at preventing war by consolidating peace upon the status quo. But peace upon such terms, to the German mind, spelled inevitable and utter ruin.

At the first sign of disagreement between the nations momentarily united at Stresa and Geneva, or at the smallest hint of domestic political crisis within France or Great Britain, Germany would, therefore, resume her offensive. Her most probable action would be to attempt to abolish the demilitarized zone—although obviously her decision would be determined by the conditions of the moment. Not until this step were taken would Hitler be sufficiently safe in the west to embark upon adventure in the east or the south, that is, in the Ukraine or the Danubian Basin.

It would be to misunderstand the contemporary European situation wholly, however, to believe that because Germany had been temporarily halted, she would now abandon her primary purpose, namely, to escape from her existing territorial limits and free herself from her existing economic restrictions. It was the same sort of calculation that led the Allied world to believe that because she had been defeated at the Marne, Germany would recognize that she had lost the war and make peace. Actually, however, the Great General Staff, while recognizing that it had failed to obtain a decision, was fully alive to the gains actually achieved and satisfied that victory was still possible.

Like Falkenhayn in 1914, Hitler in 1935 had now to dig in. He had achieved rearmament in principle; he would now put it into practice. In addition he had to consolidate his gains, which could be done only by abolish-

ing the demilitarized zones. Then, like the Great General Staff in the World War, he would probably go east. In 1915 and 1916, Russia was destroyed because France and Britain could not help her. What was formerly accomplished by the German Army, Hitler now hoped to achieve again by German diplomacy. He might succeed or fail. But what the world had to realize was the fact that he would continue. And the implications of this fact were unmistakable.

The first week of May, too, was marked by two incidents equally significant of the drift of affairs. In France the government, aroused by reports of German aircraft spying over French frontier fortifications, organized two patrols, one in Alsace and the other in Lorraine, to bring down any trespassing planes. In England, the press, public opinion and Parliament reacted violently to the announcement from Berlin of German purpose to construct submarines as well as to expand air forces.

The French detail disclosed the fact that henceforth a collision between French and German aircraft was always possible and could have incalculable consequences. Nor was it forgotten that in 1914 one of the German pretexts for the declaration of war against France had been alleged—and purely imaginary—exploits of French planes above Nuremburg. As to British events, many observers recalled the famous pre-war excursion of Lord Haldane to Berlin, which disclosed German naval views as irreconcilable with British. Now that Sir John Simon's similar voyage of exploration had been equally futile, the question was raised whether Great Britain would once more abandon hope of coming to terms with Germany and reluctantly but definitively turn to France again.

Good Times Can Come Again

By STEPHEN LEACOCK *

FIVE and a half years ago the wheels of the world's industry, running at top speed, intricately geared and interlocked, suddenly slackened, sunk to a lower and lower speed and almost came to a full stop. The roar of the machine subsided to a dull throb. The wheels were still there and visible, but the cogs of most of them were thrown out of their connection. Little turned. The world's economists stood round, and still stand, like mechanics round a broken motor car, tapping and tinkering. What went wrong? How can it be set right?

In all advanced industrial countries governed under a federal system social legislation is of necessity limited and confined by the existence of constitutional limitations of power. The original economic separatism, which precluded union under a single government and gave value and opportunity to federalism, remains in existence long after the real economic unity of the country has deprived it of point. In such circumstances all proposals of social and economic reform and reconstruction must be viewed from two points of view, from that of the economist who tries to see whether the thing proposed would be of benefit, and from that of the lawyer who looks only at its legality. But for greater ease of movement let us put out of the picture all questions of the law and

the lawyer and who has power to do what, and talk only as social mechanics. Let us, in short, discuss what measures of reconstruction, definite, clear, immediate and flexible, could restore and maintain the prosperity of the United States.

The machinery of production that broke down had been running under individual ownership for about a century and a half. On the whole it seemed fairly successful. It piled up a vast total of goods; it transformed the surface of the earth; it tore loose the treasures of nature. Its success was in a way more apparent than real, more at the top than at the bottom, more for the lucky few than the innumerable many and, least of all, for "the submerged tenth" of humanity. It kept with it, in attendance, poverty, but hid it away for the most part in slums and dark corners.

Yet the system, the machine, was supposed to run of itself on an infallible principle, simple as clockwork and called "every man for himself." Adam Smith said it would go; so did Thomas Jefferson and John Stuart Mill and everybody. Not only that, but they said that "every man for himself" really meant "every man for all." Adam Smith, being a Scotsman, got pious about it and talked of an "invisible hand" that thus turned the self-interest of each into the welfare of all.

The idea was this. You started out with the idea of a government, of law and order, of property in land or anything else except slaves, and of contract, made freely and enforced by the

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law. And there you were! That was the whole of it! The thing would function of itself. By sheer self-interest, and the free play of competition, it would produce the things that people wanted and would pay for, in the quantities they wished and bring them where they needed them. It would do this at a minimum of cost and at a maximum of return, because if anything went wrong—too much produced, too high a price, too low a wage—it corrected itself at once. People moved out of that part of production and into another.

Over wages, indeed, there hung a shadow; that was the dark corner. But in any case, it was argued, the dark corner was as light as it could be. Wages were as high as the facts of the situation allowed. A man got "all that was coming to him." He was worth what he got and got what he was worth. Thus the head of a bank or of a railroad who got \$100,000 a year received it because he was worth it, and the man who got a dollar a day got no more because that was all that he was worth. The only hope for the poor was to keep down their numbers and keep on working. Meantime, machinery and invention would keep on working for all, "saving labor" and increasing production. The kingdom of heaven on earth was just around the corner.

On these terms the world of the nineteenth century went roaring ahead, with more and more machines, more and more production, conquering nature, knocking it flat, circling the globe. At times the machine paused to carry on a war or two and then went roaring ahead. It was noticed that when war broke out the economic effect was like a flame burning brighter in oxygen and then dying dull. At times the pace was tripped up in a slump; the world stumbled and went on; no one quite knew what had hap-

pened. As the machine went faster and faster it interlocked more and more—industry with industry, town with town, nation with nation. The more it did so the greater its output, but the greater also its interdependence. The world must now all run together or all stop together.

The World War speeded up the machine and broke it. Momentum of the war carried it forward till it burned out in the oxygen flame, till its wheels raced like a lifted propeller—and collapsed. Oddly enough, the "collapse" showed a world overbuilt, over-equipped, overendowed, its cities too magnificent, its factories too large, its transportation too complete. It was the new paradox of "overabundance" in which the world's wealth, contributed by those who own it, but cannot or will not consume it, fixes itself in capital goods and still more capital goods, till it thus solidifies and stays stagnant with nothing to produce for lack of consumers. This is the new economics that would make Adam Smith turn in his grave.

How can we get back to where we were and never again come to where we are? It is at this point of the argument that voices are raised in favor of abolishing altogether our social system and replacing it by some kind of socialism or communism. But this is worse. The escape to socialism or communism is an escape from the frying pan to the fire, from a slow sizzling to a final combustion. The sizzling may at least end in a cooling down, but the fire ends everything. Let us sizzle a little longer.

The truth is that all such schemes of socialism and communism are doomed before they begin. They simply mean the distribution of all work and all pay, all promotion and all punishment, by a set of elected bosses. Elected bosses are already fallible

enough; after a hundred years we have lost most illusions about them. But in the world of today there is at least a certain choice. Under communism all men must work and obey, take what they are given or get the lash. The economic system of communism is exactly that of the penitentiary. Visionary minds are attracted to these things as children to floating soap bubbles, as wanderers to a will-o'-the-wisp.

Leaving aside, then, all questions of socialism, what are we to do to start the social machine again, and when it starts to keep it running? The mechanism of first aid is found in bringing about a rise of prices. Now this, a rise of prices, is as easy and simple to bring about as an explosion of dynamite—and requires the same prudence. A flood of fiat paper money will lift prices, if need be, to the clouds, and dissolve all outstanding debts of the past into mist. Even short of this, it may move so fast as to press too hard on the wage-earners, for wages always lag behind, like an overshoe lifted in mud. This would precipitate strikes and threaten social revolution, a last state worse than the first.

But a rise of prices can be engineered without an explosion. All that is needed is to increase the quantity of the currency up to the desired point and without going beyond it and without loss of public confidence. It is quite easy to do this by altering the metallic standard of the currency—that is, the number of grains of gold in the unit called a dollar or a sovereign. At the present time there exists in the United States a nominal unit called a dollar consisting of 13.71 grains of pure gold. But nobody has ever coined it and nobody buys and sells with it. At present it is just a legal abstraction. At present there is also a unit called a dollar existing in

various paper forms and used for actual buying and selling, actual payments of interest and debts.

These two dollars have at present no forced and necessary connection. The only way to test their relative value is to see what the paper dollar fetches in the foreign exchanges and how much gold in the lump it will buy in the open market. On these terms it appears that just at present the amount of gold that the paper dollar will buy is very closely the amount that the abstract gold dollar contains. It is interesting to compare the case of Canada, where the value of the paper dollar, equally irredeemable, is just now almost exactly equivalent to the United States paper dollar; first one, then the other, leading in exchange. But at the same time the Canadian dollar is still nominally and legally declared to represent 23.22 grains of pure gold, the same amount as the previous American dollar.

Now here lies the way of salvation. General prices are computed to have risen about 10 per cent since the new American dollar was initiated. But the rise is not enough and is not spread widely enough to have a real effect. Our industrial structure is so out of order that the remedy must be a strong dose. So we must cut the gold content of the dollar down still more, make it, let us say, ten grains; then coin it, use it, buy it, sell it, redeem it. Do not be afraid of it; do not sit on it. Money is not made to sit down on; use something else for that. This much of the older doctrine was true, that the world's proper money must have as its basis metallic money of intrinsic value, with the paper only as its shadow and reflection.

The silly notion of a "managed currency" has deranged the brains of the economic world. There is no such thing as a "managed" currency. You might

as well talk of a "managed" wife. They will not stay managed. A currency could be managed and over-managed by a set of crooked officials pouring it out in floods to suit their own occasion. But the notion that a little group of inspired bankers can pilot the world with two or three levers is a mere fable. In point of morality and disinterestedness only a group of angels could do this, and angels know nothing of political economy. In any case, the complexity of the forces involved—made up of a mass of individual transactions—defies all regulation except that which is automatic.

Gold has been falsely connected with low prices, with falling wages, with crucifixion on Mr. Bryan's "cross of gold." But there is no such necessary connection. A gold standard could be used to make high as well as low prices. All that is needed is free, open movement, national as well as international. If a nation pays out all its gold in redemption, and for the time has none left, that does not matter. It is, even then, no worse off than now, when it will not pay at all. It can still offer legal tender paper, just as now. It is merely like a country store that has run out of sugar; it can get more tomorrow. The movement of the exchanges, if unimpeded, will bring the gold.

Unless the world can free its mind of this fallacy, a terrible thing may happen, of which let here stand a warning. Some day, any day, a country such as France, which never mines gold and has no interest in it as a commodity, will ask itself why it should be kept an inert, useless mass of metal when for twenty years the world's money has been nearly all fiat paper. Then France sells its gold on the market; with that the others follow and the crash comes. The mining

areas, South Africa and New Ontario, are overwhelmed in disaster; grass grows in the streets of Johannesburg and trees in the streets of Gowganda. This is not fancy. It is imminent risk. And once gold is gone it will be hard to get it back. Humpty Dumpty can sit on his wall, but if he falls all the king's horses and all the king's men cannot put him together again.

Prices that rise by sheer paper inflations may rise too far. Prices that rise by gold devaluation cannot do so. They are a kite tied to a string. The other is a balloon broken loose. As prices rise, all business gains and all wage-earners in employment for the time being lose. Wage-earners out of work move off the dole to the now expanding business. Everybody spends more; everybody buys more. The wheels begin to move back. The eggs start to unscramble. The clock ticks cozily backward.

As the upswing increases, wages reach out and catch hold and swing upward, too. Best of all, the huge mass of outstanding debt—Federal, State, municipal, bond and mortgage—which is beyond the power of any people to carry or to pay, contracts as prices rise. Borrowed, as much or most of it was, in days of higher prices, social justice accepts, indeed demands, its contraction.

But if the machine were merely started and left to run of itself, it would soon be back at its old tricks again. It would overreward the most capable and underreward the rest. It would pile up in the hands of the few far more than what they could themselves consume. This would drive them to continuous "saving," which on analysis only means putting more and more money into production goods—machines, buildings, instruments of future production, not of present consumption. As long as these could find

a use all would be well. But sooner or later, for sheer lack of consumption, the whole machine would smash again. Millionaires who live on soda biscuits are of no benefit to the present world. They merely misdirect production.

What is needed then is steady and continual consumption of things made. The table must be spread and cleared at every meal. For this, purchasing power—that is, power to order the meal—must be distributed in generous quantities among the great mass of the people. This cannot be done by freak schemes of overnight credit or by subsidizing old men. It can be done only through the apparatus of wages and profits. What we must have is not a revolution of society but a change in the rules of the game; not the abolition of the “profit system”—for this is the economic counterpart of our individual physical life—but a change of rules that will make it easier to gain a little and harder to gain a lot.

We can best reach the idea of how it can be done by considering what the world will look like when it is done. Let us think of a world in which nobody has less than what we now include in the idea of \$2,000 or \$3,000 a year and nobody more than what is represented by \$20,000 a year. It would be quite impossible to reach this goal in one jump by at once taxing all income above that point and at once raising all wage minimums in advance. The dislocation would be too violent. What is needed is the unceasing shove of minimum wage legislation upward and the increasing pressure of taxes on profits downward till the social structure squeezes into shape and corresponds to the newer ideal.

Observe that it cannot be done all at once. Premature taxation would merely break up the rich homes and the lavish expenditure of the rich, curtail too fast the luxury trades and

dislocate the cogs of the industrial machine just as badly as would happen through overspeeding the profits of the rich. But bit by bit, and month by month and year by year, the process can go on. The big houses and the huge estates and the superluxuries will diminish. The modest homes will multiply. The diffused wealth warms like a gradual fire. The older luxuries of individual wealth are replaced by the collective luxuries of parks and playgrounds and public buildings. Vast operations in free public transport can make golf everybody's game and the seaside every man's playground.

One can form some idea of the social and economic relations of people living in the State that is to be by thinking of those that prevail even now in our colleges. In a college the professors are neither rich nor poor. In point of money they are more or less all alike, with but little expectations of more than what they have and little fear of less. Money, therefore, can pass out of their lives to a much greater extent than with people outside. Nor need they think so much of those “appearances” which reveal in the outer world the pecuniary status of the man. They may thus develop more freely their individual character, run toward oddity and eccentricity, with here and there a touch of the crank. In point of effort, they hit a happy medium between overenergy and loafing. It is a little hard to know whether they are working or not; nor is their work in any way a burden. It reverts almost to the hunting and other primitive activities that preceded the existence of “work.” Into this “kingdom” all may, and some day will, enter. In such a State, be it stressed, every man is still “free.” He does not work for the “bosses”; he need not cringe and intrigue for their favor.

One turns to the "international" aspect. The world, in the physical sense, is rapidly becoming unified. We talk around the globe, but our world trade is cut into a hundred parts, our world's money into a hundred currencies, its labor into a hundred camps. Every form of national tariff and national barrier has been hopelessly overdone. Trade cannot move, exchange cannot pass, wealth cannot circulate. The whole circulating system has been choked with the coagulating poison of national hatred and drained away through the false leads of erroneous doctrine. The balance of trade, taken off its hook in the country store where it belongs, has been hung up at the world's crossroads. According to this doctrine a nation must not buy (receive) from the world more than it sells (sends away); even with the other nations singly, one at a time, it must not do this. The doctrine, in its general form, is ridiculous enough; in its particular application it is unalloyed lunacy.

It is in itself no sign of prosperity or of adversity that a nation is at any particular time overbuying or overselling. It may mean one thing or it may mean another. A young rising nation, with money and men pouring in, must show an adverse balance every year. An old nation, from which the people were draining out and whose foreign investments were being sold off, would on that account show a favorable balance. The balance in any one case may mean adversity or prosperity or neither. Wisdom should disregard it. Children never think of their digestion, and it works; old men fuss and fuss over it, and die. So it will be with nations.

The truth is that our sick world cannot recover until it gets a much greater measure of freedom in international trade and intercourse. World-

wide free trade in Cobden's day was an impossibility. It will one day become an international necessity. In Cobden's day it would have fallen with a crushing weight on the working class. They were still unorganized. International free trade would have meant forcing down the wages of the best to the level of the lowest. It is not true that high wages are cheap wages. Even after the difference in effectiveness has been allowed for, the wages in a country of highly organized labor can rise still further above those of foreign unorganized labor of the same sort but of less effectiveness. Cobden's world would have been a world of vast fortunes, crowded harbors, a babel of tongues and tumult of luxury, and beneath it, in the dark, a trodden and helpless multitude, waiting for the final revolt of despair.

All this is changed. Labor is organized. It draws, not wages, in the old sense of a man-to-man pittance, but wages as a social dividend, more or less a collective matter already, and soon to become entirely so. When labor organizes this all over the world, and in proportion as it does, the time has come for world-wide free trade.

All this does not mean that any nation, least of all the United States, can knock down its tariff with an axe. Keep that for the saloons. The system in its time was clearly necessary, gave wages a chance to share in rising national wealth and amply justified itself. It leaves behind it a mass of vested interests which justice must respect, and a fixed situation which prudence will not too soon disturb. But national policy can say, at least, "Never again"—no new tariff on anything, no increase in anything, and lower every tariff as soon as circumstances allow; help the lowering

with bounties, with reciprocal agreements, but start the movement and keep it going till the world smooths out flat.

One asks what about the lowest class in a reorganized world, the paupers, the unemployed, the unemployable? Short work could be made of all that. No dole, no poor, no pauperism! To feed the hungry, to shelter the homeless, to clothe the destitute, I would set up in each city and centre great communal dining halls and dormitories and emporiums. Here, free for able-bodied adults, are the plainest of plain meals, with half an hour at the woodpile to pay for it; here a place to sleep and sleep all the deeper for the work with the axe which preceded it; here the worn-out suit and the old boots can be replaced by new—plain butternut without insertions—and the old fumigated or burned. All this for the able-bodied adult; for the youth free, with a tin-can of compulsory schooling tied to it; for the child, the frail, the sick, all this free and much more.

The "woodpile" is taken straight out of the bygone economics of the countryside. The tramp who asked for apple pie was told to cut wood. It was the acid, the malic acid, test.

One might say that if we start all this free stuff the "bums" will "eat it up on us," eat us out of house and home. There is called up the cheerful vision of a cheerful bum in a gingerbread suit complacent as a Royal Bengal tiger, eating free, and clothed for nothing, and thus saying farewell to the fret of life, drowsing in the sun, or sitting dangling his feet over a wharf, fishing for sprats with a hook and line that some one gave him. But I do not think the picture is true. To begin with, there is the woodpile. Work as gently as he will, it is still

work. Next, the whole of the free stuff is plain and severe; shelter, yes, just as a railway station is, but not more; sleep, yes, but with no phantasy for lying in bed after sun-up. Ninety-nine out of one hundred, nine hundred and ninety-nine out of a thousand, human beings would have no use for it all except in emergency; they would prefer work and life, home and children, a chance for an easier lot.

The "woodpile" needs a word. The objection would rise that the orthodox wood industry could not stand the competition; it presents the same problem as prison labor does, or as German "reparations in kind" threatened to. But the solution is easy. We single out a whole national industry for that and for nothing else—wood-splitting or whatever suits best—try it out and turn it over to the "bums" and the industrial convalescents in momentary occupation of the shelter houses.

Work in building and improving these communal shelter houses could be used to steady and regulate industry and thus prevent collapse or crisis before it began. Should business slacken the work would increase. Depression would thus be over before it came.

Our world is overperplexed with its trouble; tired, tired with its discussions; its brain weary and its spirit numb with endless talk, that will not cease, the talk of economics and unemployment, of work and poverty, of social danger, of national hostility, of imminent war and of hovering death. We are wearing out with it. We are like tired children that need a mother's care. We must get back somehow to the Springtime and the green world around us and the real things of life that really matter. That, or we must perish.

The German Anti-Christ

By CHARLES SAROLEA *

IT has been a frequent taunt with cynical laymen that in the religious wars of the past churchmen have generally been fighting for principles they did not understand and for dogmas they could not define. But today not even the most sardonic scoffer would presume to assert that in the religious war that is dividing the churches in Germany the belligerents do not know what they are fighting for or what they are fighting against. They are not fighting about the interpretation of any particular dogma but about those essentials and fundamentals of historical Christianity upon which all Christian churches, whether Catholic or Calvinist or Lutheran, whether conservative or progressive, are unanimously agreed.

There is nothing ambiguous or vague or elusive about either the principles or the policy of the Nazi "Christian" Church, for the new creed has been expounded in an imposing array of books and pamphlets whose numbers are kept down only through fear of the censor and of the policeman. It has been elaborated in many commentaries and doctrinal treatises. It has had its forerunners and true prophets like Paul de Lagarde, its false prophets like Oswald Spengler. Last, but not least, it has been expounded in three sacred and oracular books which may be described as the

Synoptic Gospels of the Nazi religion.

These gospels are *The Foundations of the Nineteenth Century*, by Houston Stewart Chamberlain; *My Battle*, by Adolf Hitler, and *The Myth of the Twentieth Century*, by Alfred Rosenberg. Strangely enough, not one of these books is written by a German. The first is by an Anglo-Scotsman, the second by an Austrian and the third by a Balt, who, until the war, was a Russian subject. Without some idea at least of Rosenberg's work it is difficult to understand the issues involved in the present German religious warfare.

Alfred Rosenberg is a striking personality, as remarkable in his own sphere as Hitler, and much more cultured and even more of an enthusiast. Still in the prime of life, he holds one of the key positions under the Nazi régime, as Director of the Foreign Press and as editor-in-chief of that formidable chain of official papers constituted by the *Voelkische Beobachter*. And because of those key positions, there is behind everything he writes the power and prestige of an omnipotent government and a docile audience of millions of readers. But quite apart from his official position, Rosenberg is an original journalist and a controversialist of the first rank, and again still much more than that. He combines the parts of a missionary, an apostle and a Father of the Church. It may be worth recalling that immediately after Hitler's rise to power he was sent to England in order to win over British public opinion. He

*The writer of this article is a Belgian who was for many years Professor of French Literature in the University of Edinburgh. He has traveled widely, is the author of many books and essays and has been a vigorous critic of Soviet Russia.

received, however, so uncomfortably warm a welcome that this first mission was also his last. Since then he has abandoned his work among foreign infidels and has preferred to concentrate on the much more important home mission field.

Herr Rosenberg is the writer of many books, most of which are denunciations of the Bolsheviks and the Jews. Here we are concerned only with his masterpiece, *The Myth of the Twentieth Century*. In molding the opinions of the new Germany, this book is second in importance only to Hitler's. But it is as different from *My Battle* as the Gospel of St. Matthew is different from the Gospel of St. John. It is neither an autobiography nor a narrative. It claims to be impersonal and "objective." It is mainly doctrinal and therefore more systematic and also more extreme in its views. The 700 pages of the *Myth* are divided into two parts. One half is controversial and aggressively polemical and makes most entertaining reading. The other half is a summa, a whole system of learning which expounds the philosophy of the Nazi creed. For that reason it is likely to be as unintelligible to the average reader as is the typical German metaphysical treatise. Nevertheless, it has been eagerly devoured by hundreds of thousands of enthusiastic disciples.

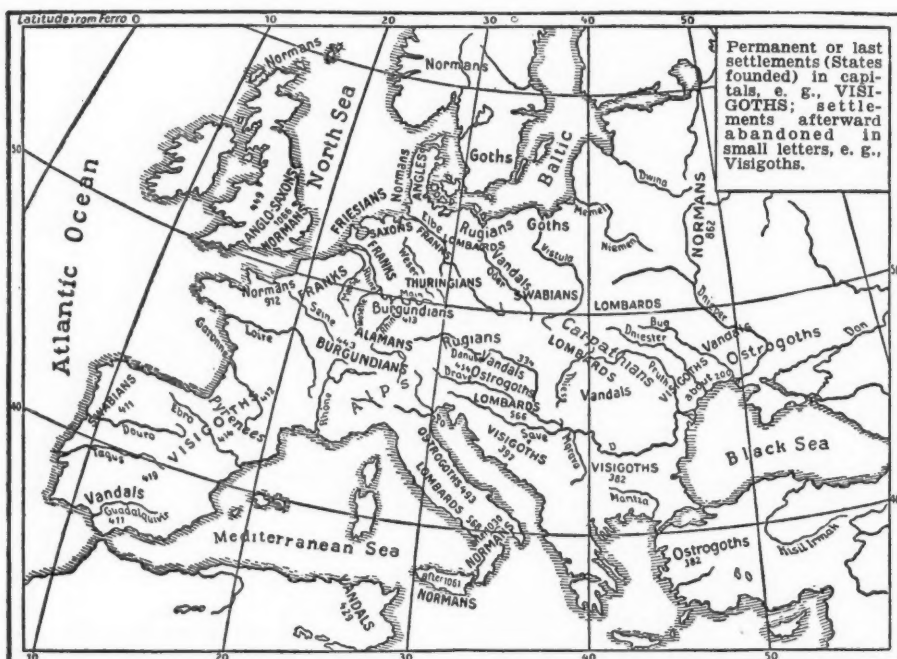
Dubbed by his opponents "The German Anti-Christ," Rosenberg in the introduction to the *Myth* bitterly represents and repudiates such an appellation. But if the word is taken in its literal sense, it does not seem to be an unfair description, for Rosenberg is indeed a bitter enemy of "institutional" Christianity. It is true that he professes to admire in some vague and distant way the personality of Christ. But he proceeds to add that the personality of Christ has been

made unrecognizable "by Jewish fanatics like Matthew, by materialistic rabbis like Paul, by African jurists like Tertullian, by mongrel half-breeds like Augustine."

One may well ask what remains of the historical Christ if at the very outset of our investigation we eliminate the Gospel of St. Matthew, the Christology of St. Paul and of St. Augustine. Rosenberg himself does not attempt to explain his own conception of the personality of Christ. What seems to remain is a Nazi Christ, born in Galilee, of Amorite Nordic parents, a stern, aggressive revolutionist who came into this world to bring not peace, but a sword.

Not only is Rosenberg repelled by the personality of the traditional Christ; he is, even more emphatically than Nietzsche, the passionate opponent of all Christian churches. Even as the pure figure of the ideal Christ has been disfigured, he says, by the Popes and the Jesuits, the initial heroic rebellion of Luther and Calvin has been frustrated by the Lutheran and Calvinistic churches, which merely exchanged the servitude of Jerusalem for the servitude of Rome and which, until this day, constitute a denial of and a challenge to the Nordic ideal.

Throughout the 700 pages of the *Myth*, Rosenberg opposes the religion of Wotan and Siegfried to the religion of Rome and Wittenberg and Geneva. He opposes the Nordic swastika, the symbol of the "Sun God," to the dreary symbol of the Christian Cross. He opposes the living religion of "Race and Blood" to the unreal and demoralizing and denationalizing religion of the Universal Spirit and human brotherhood. He opposes the religion of the Superman to the religion of the weakling and of the "Underman." He opposes the elemental German virtues of honor and freedom



The wanderings of the Germanic tribes who, according to Alfred Rosenberg, laid the foundations of European civilization. The map is from *The Racial Elements of European History*, by Hans F. K. Günther. (Second German edition translated by G. C. Wheeler. New York: Dutton, 1928).

to the debilitating Christian virtues of pity and charity, which every honest German feels to be a sinister and constant menace to the soul of Nordic Europe. To Rosenberg, the creed of all the historical churches, without exception, has been consistently a principle of decay and a creed of slaves.

Historians have assumed that human civilization originated from the plateaux of Asia and that it spread from south to north and from east to west. According to Rosenberg, such an assumption is hopelessly wrong. He believes that the march of civilization has invariably proceeded from one centre and from one direction—from north to south. For 4,000 years and still longer, it is the Nordic-Germanic races that have been the sole master-builders of human values and ideals. Wherever in ancient or in modern history we observe a blossoming of cul-

ture, it is the Germanic race that has sown the seed. On the contrary, wherever there has been decay, it has been because the Nordic racial elements have been eliminated or tainted by the corruption of inferior races like the Africans and the Alpines, the Jews and the Negroes.

Rosenberg adduces as an incontrovertible scientific fact that in prehistoric times successive waves of German migration, starting from the Scandinavian North, colonized and civilized India, Persia, Greece and Galilee. Again, in the early centuries of the Christian era, successive waves of Nordic tribes rejuvenated every part of the Roman Empire and until this day the descendants of the 200,000 Gothic families settled by the heretic Gothic King, Theodoric the Great, constitute the best blood of the Italian people. Again in the tenth and

eleventh centuries, successive invasions of a comparatively small number of Norse vikings conquered Scotland, France, England, Russia, Sicily and Syria. Thus it is the German racial element that always and everywhere has evolved order out of chaos, light out of darkness. It is the Germans who created the gods of India, of Persia, of ancient Greece, of modern European nations, who founded their States, inspired their poets, made their laws.

Philosophical historians further assume that modern history has been a steady if slow and erratic advance, that it has progressed by successive stages, from the advent of Christianity to the radiance of the Renaissance and from the Renaissance to the Enlightenment of the eighteenth and nineteenth centuries. Here again, Rosenberg assures us, our assumptions are hopelessly wrong. What we are pleased to call progress has really been a wandering away from the Nordic truth. We have been witnessing what Oswald Spengler, who was once the prophet of Nazism, has described as the "Decline of the West." The Golden Age lies far behind us. Rosenberg wants us to travel backward 2,000 or 4,000 years. The introduction of Christianity has been the beginning of European decay. The defeat of the Arian heretical Goths by Clovis and his conversion by his "hysterical wife," the conversion and defeat of the Saxon hero Widukind by Charlemagne after thirty-three campaigns, were disasters not only for "Germanity" (*Deutschthum*) but also for humanity. Charlemagne was not an authentic German; he was, we are told, a mongrel and had a round skull and a thick and short neck.

Alas! this wandering away from the Germanic truth has steadily continued for the last 400 years. All that

has happened in modern history, all that our so-called "progressives" are boasting of, the establishment of parliamentary government, the rise of democracy, the triumph of humanitarianism, the poisonous influence of the international and cosmopolitan spirit, the spread of liberalism, pacifism and feminism, are so many alarming symptoms of an almost universal European retrogression and disintegration.

In the first edition of the *Myth*, which was published at the end of 1930, two years before the triumph of Hitlerism, Rosenberg disclaims any intention of founding a new German religion, protesting at the same time that he is not speaking in the name of his party and that it cannot be held responsible for his views. Within six months after Hitler's advent to power Rosenberg's disclaimers were forgotten and the contingency which he considered impossible and which he deprecated became a reality. A Nazi church came into existence under the protection of the government, and in the precise form which Rosenberg conceived. The new structure was built up on the foundations which he laid down and in exact conformity with the plans which he expounded in *The Myth of the Twentieth Century*.

In the Nazi philosophy a church must be strictly national. A "universal" church is an unreal monstrosity. There can be no living religion that is not inspired by the national spirit and by a specific national idea. "Nations are the thoughts of God." Of no nation is this more emphatically true than of the German nation. More than any other people, the Germans have been set apart to fulfill a sacred mission and the only conceivable purpose of a German national church is to mobilize and unite all the citizens in the service of that divine mission. The

old Catholic separation between the temporal and the spiritual powers is a heresy and a crime against the German nation.

In order, therefore, that the new German religion may discharge its vital national function, Rosenberg demands the uncompromising elimination of the Old Testament, the repudiation of the abortive attempt to transform and degrade the Germans spiritually into Jews, the elimination of all the dogmatic foundations of historic Christianity, whether they are Roman Catholic or Lutheran or Calvinistic. He demands the elimination of what he calls the spurious moral values of the Sermon on the Mount, the elimination of the dogma of original sin, of the Doctrine of Grace. He demands the suppression of the Cross, and instead of the dreary and degrading dogmas and malignant symbols of the present churches he wants the new German Church to substitute the Nordic myths and sagas and fairy tales which alone, since the beginning of time, have expressed German aspirations and ideals and represented German moral values.

Henceforth the German people, Rosenberg declares, instead of deriving their spiritual sustenance from the Gospel of St. Matthew and the Epistles of St. Paul, shall draw it from the Icelandic Sagas, the Eddas, the Nibelungen, from *Faust*, from the *Deutsche Schriften* of Lagarde, from the works of Schopenhauer and Nietzsche, from the *Foundations* of Chamberlain. These, henceforth, instead of the Jewish Bible, shall be the sacred books of the new dispensation. Odin, Siegfried, Widukind, Theodoric, Wagner, Frederick the Great, Bismarck and Hitler shall be the heroes worshiped by the new Germany.

Whilst the Nordic Superman pre-

served his racial values and racial purity, and retained his racial virtues, his love of freedom, his aggressive heroism, tested and hardened in daily fighting, he was able to impose his will upon the whole world. A tragic destiny ordained, however, that the noble Germanic blood should be tainted by the invading tide of Mediterranean, Alpine and Oriental, especially of Jewish, blood. It ordained that the virtues of the German race, their exalted sense of honor and militant courage, should be undermined by the demoralizing influence of Christian charity and humanitarian pity and that the German Superman should be submerged by non-German mongrels and weaklings. Unless, and until, the new Germany of Hitler succeeds in eliminating from its body politic that deadly Oriental poison, first by ruthless anti-Jewish legislation, second by drastic eugenic measures, third by a radical religious and spiritual revolution, there can be no salvation for the Fatherland, which must inevitably succumb to the overwhelming number of its enemies with their inferior moral values.

This, says Rosenberg, is what is at stake in the present religious struggle in Germany, an issue of life and death. To restore the old Nordic values, to purify and rejuvenate the German people with the assistance and authority of the Nazi State, to liberate them from the corrupting influences of Jerusalem, Rome and Wittenberg, to enthrone the mystical religion of the blood and the heroic religion of honor and valor, this and nothing less shall be the glorious task of the new German church. Such is the new gospel which, whilst still pretending to call itself Christian, aims at wiping out all that institutional Christianity has ever stood for.

His Majesty the King

By P. W. WILSON

KING GEORGE V on May 6 completed twenty-five years of his reign and, with Queen Mary, received expressions of good-will from every part of the far-flung empire over which he reigns. On all hands it was recognized that his was no ordinary achievement.* Not only had the throne survived the storms of war and revolution and economic disaster; it appeared to be stronger and to fulfill more than ever a definite function in the British political and social system.

What is now to be included in the British Empire and its associated spheres of influence need not be too closely defined. Suffice it to say that King George reigns over one-quarter of the human race, occupying one-quarter of the land area of the globe, and that the population which owns his sovereignty is steadily increasing. In 1910 it was about 435,000,000; to-day it is about 485,000,000.

It is amid a shattering of ancient régimes that the King-Emperor has gone on, as it seems, from strength to strength. Twenty-five years ago monarchy was predominant in the old world. Today the Habsburgs, the Hohenzollerns, the Romanovs—even the Sultans—have been dispossessed of their heritage. This violent termination of a long hereditary era has intimately affected King George. The

*Two recently-published books dealing with the subject of this article are *The Reign of King George the Fifth*, by D. C. Somervell (New York: Harcourt, Brace & Co.), and *The People's King*, by John Buchan (Boston: Houghton Mifflin Company).

last Czar and Czarina of Russia were his first cousins by birth. The former Kaiser Wilhelm is his first cousin, and is now in exile. The Queen of Spain is his first cousin, and she, too, is a refugee. King Constantine of Greece and Queen Sophie were, each of them, his first cousins, and they also were dethroned before their death. Much of what was meant in 1910 by the "royal trade union"—especially the numerous and inter-related dynasties of Germany—has been swept away.

To the predecessors of King George his isolation would have been at once painful and alarming. Despite Bismarck and his blood and iron, Queen Victoria was German in her nostalgia and at her jubilees appeared as the grandmother of Europe. King Edward VII, one of Europe's most applauded playboys, could never forget that Wilhelm II was his nephew.

There are those who assume that monarchs, because they are monarchs, rise above the domestic restraints that apply to less exalted people. With gossip of this kind the name of King George was early in his reign freely associated, and much was made of an alleged and, as events demonstrated, apocryphal romance. On the first possible opportunity, the King commanded his somewhat startled law officers to challenge the rumors in open court, and so far as it is possible by evidence to prove a negative, the public proceedings were conclusive.

The King and Queen throughout their entire married life have been,

obviously, the most affectionate partners in the fulfillment of a great responsibility, nor has the King hesitated, when the necessity arose, to intimate plainly to his relatives of a younger generation his sense of what is due from them also as leaders of society. The correctitude of the Court has to be included among the "imponderables"—to quote Bismarck's word—which have contributed to the success of the reign.

It was the smart set alone that, before the war, insinuated sneers at the simplicity of the home within a palace where the King and Queen had their dwelling, and this campaign of depreciation was directed chiefly against Queen Mary, who, it has to be confessed, did not always emulate Queen Alexandra's faultless instinct for dress. Much of the comment was unjust, for Alexandra herself was not more regal than her present Majesty on a state occasion, and today the Queen has emerged as a true daughter of the late Duchess of Teck, the most popular of all princesses in the Victorian Era.

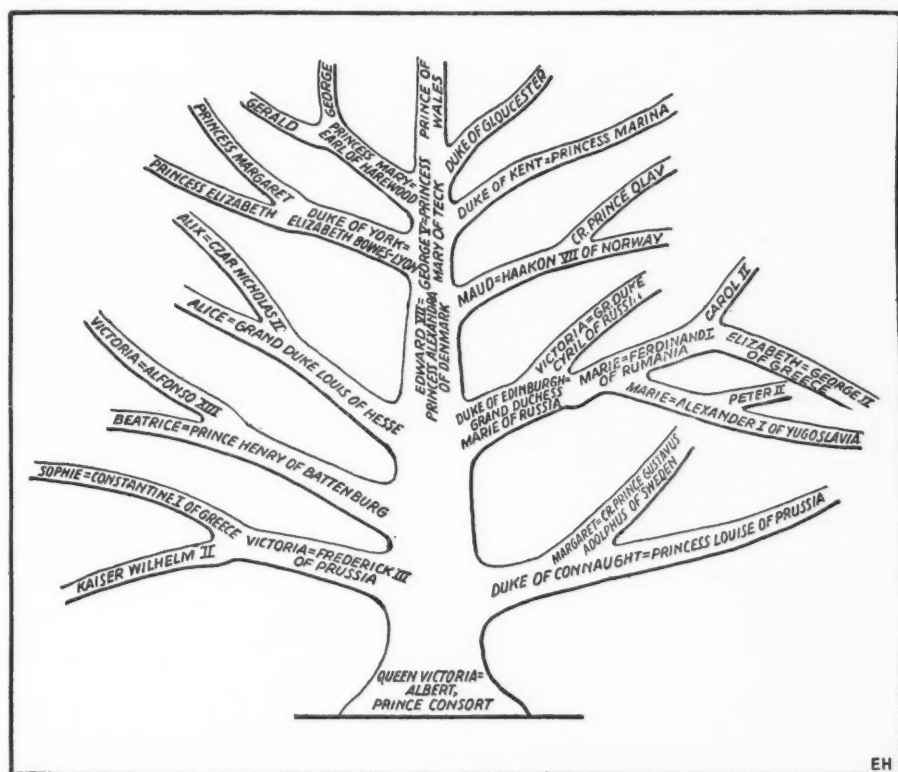
Queen Mary is the embodiment of common sense, sympathy with others and energetic ability. She has completely captured the confidence of women workers throughout the country and has never failed to give her valuable support to the rebuilding of British homes. Nor has she lost touch with her children. The stories of surrender to syncopation and cigarettes and shorter skirts merely mean, in so far as they mean anything, that she has brought an understanding mind to bear upon a post-war period when fashions, like everything else, were in a state of flux.

To King George monarchy is not international. It is national and imperial. By the tragedy that overwhelmed the Czar and his family at

Ekaterinburg he was so deeply stirred that he felt unable to receive the first Ambassador of the Soviet Union and asked the Prince of Wales to act in his stead. Also, he has made it plain that he disapproves entirely of the treatment which the former Queen of Rumania has received at the hands of King Carol. But in the main, King George has been free of the domestic complications abroad which embarrassed diplomacy during previous reigns. Queen Marie of Rumania has never forgotten that she is a granddaughter of Queen Victoria. But she failed to interest London in her plan for a family compact in the Balkans, and so the Prince of Wales did not become her son-in-law.

During the formative years of his life, King George served in the navy, and it was real service. Far and wide, he cruised over the seven seas. The world that he knows best is not the old world of continental Europe; it is the English-speaking—more accurately the English-governed—world. It is the world of his stamp collection which is priceless but British. Though liable to dangerous chills and told by his doctors after his desperate fight with pneumonia that he must spend his Winters in the south of France, he prefers his own shore of the English Channel. The climate on the Continent may be recommended, but the customs are foreign.

It is thus on a strictly domestic foundation that King George has based his sovereignty, and the British throne is today as independent of outside influences as any in the world. The name of the royal family at one time was the House of Hanover or the House of Brunswick. King George prefers to belong to the House of Windsor, and the change of designation has been timely. It is not only that Hanover and Brunswick recall



How Queen Victoria became "the Grandmother of Europe." Cognate ties are omitted; e. g., Nicholas II and Constantine I were first cousins of King George through their common grandfather, Christian IX of Denmark.

the disputed accession of King George I in 1714 and the two Jacobite rebellions of 1715 and 1745, but that Windsor Castle was founded by William the Conqueror.

In an institution like the British throne, which is supported only by public sentiment, any change, however subtle, is significant and has to be appraised in the perspective of the past. There has been a far-reaching if delicate adjustment of the relations between the House of Windsor and the British aristocracy.

For centuries it has been held that the throne should be kept above any possibility of such dissensions, and the rule has been that royalty marries royalty. It is true that James II as

Duke of York married Anne Hyde, daughter of Lord Clarendon, who thus became mother of two Queens—Mary and Anne. But that marriage was private and, in 1772, the position was safeguarded by the Royal Marriage Act which declares that any union affecting the royal family is null and void unless the consent of the sovereign has been obtained. That act is still in force and King George administers it.

Queen Victoria allowed the Princess Louise, regarded as out of the succession, to be married to the Duke of Argyll. King Edward similarly permitted his eldest daughter, the Princess Royal, to become the Duchess of Fife. When, therefore, King George

approved of his daughter, the Princess Mary, becoming, prospectively, Countess of Harewood, he was following precedent. She also was out of the probable succession.

It was a very different matter when the King said to his sons, including the Prince of Wales, that they, as heirs to the throne, were now free, in effect, to marry whom they wished; and dramatic was the moment when at Buckingham Palace a daughter of the Earl of Strathmore, born Lady Elizabeth Bowes-Lyon, curtsied to Their Majesties as bride of the Duke of York and was greeted as "Your Royal Highness" and a possible Queen of England. Today the eldest daughter of the Duchess—Princess Elizabeth—is an heiress presumptive of the Crown. It is true that later the Duke of Kent married the Princess Marina of Greece, who by birth enjoyed royal status. But it was obvious that the Duke had been at liberty to marry otherwise, had he so wished.

The closer association of the royal family with the British aristocracy means much more than the single marriage of the Duke of York. It expresses a new consolidation of royal and social influences. In the past a multitude of minor royalties were addressed as royal or serene highness, as prince or princess. The rule has been laid down whereby the only such prefix shall be "Royal Highness," which honor shall be reserved for children of the reigning sovereign and his grandchildren by sons. The effect of this is that collaterals cease to be royal and are merged into the aristocracy and the new arrangement is retrospective.

To Queen Victoria royal weddings, when they had to be, were a kind of unfeeling insult to her perpetual widowhood. Like her own wedding, they were celebrated in the semi-pri-

vacy of a chapel royal, either at Windsor Castle or St. James's Palace, where there was only room for a handful of guests, and the public were requested to observe a proper distance. King George has decided that such a ceremonial should be inclusive, not exclusive. It should be representative as well as royal. For the first time since the days of King Henry VIII there have been royal weddings in Westminster Abbey, and the people have shown that marrying British is as popular with them as buying British.

Thrones have been supported by force of arms, by ancient prestige, by mystical belief in divine right. King George has been offered a scepter of which his ancestors had little conception. It is a scepter of recent design and some monarchs would have hesitated to touch it. The King has had the courage—the comradeship—to grasp it firmly and wield it for the common good.

Twenty-five years ago it was a grave breach of etiquette to look at royalty through an opera glass, and the camera, unless duly authorized, was high treason. Today it is publicity as well as divinity that surrounds the throne, and nowhere is publicity more carefully organized and more discreetly encouraged than at Buckingham Palace. There are pictures of the King and Queen as they appear on every possible occasion. We see His Majesty tugging at a rope on his yacht, eagerly watching a football match, laughing over an anecdote at a flower show, and on suitable occasions the family appears on the balcony of the palace, there to acknowledge the plaudits of the crowd.

The new scepter of publicity is charged with electrical possibilities. The King, like his father, opens Parliament in person and even surpasses the splendors of Edward himself by

wearing his crown when he addresses the Legislature. But the "King's speech," written for the monarch by his Prime Minister, is no longer a sufficient expression of the royal mind. At Buckingham Palace there is today a new and up-to-date throne room, never imagined by kings heretofore. The canopy over the King's head has been superseded by a golden microphone. Thus is he able to exchange Christmas greetings with his people, at home and abroad. The arrangement of this broadcast is proletarian. It is no Privy Councilor, no Lord Chamberlain, who announces the King. It is made entirely clear that the lords and ladies of the court stand only on the steps of the throne. The King who sits on the throne looks over the heads of the aristocracy to the people as a whole.

The publicity is an appeal to the majority against minorities, whatever they may be. Labor plunged the nation into a general strike. The King carried on. There are still mutterings of "thunder on the left" and a Communist member at the bar of the House of Lords raises his protest in the presence of majesty itself. The King carries on. What effect had that protest compared, let us say, with the universal and amazingly successful broadcast of the wedding of the Duke of Kent? It was occasional antipathy battling against sympathies that are elemental.

The growing influence of King George is due to a paradox. Personally he continues to be the most modest of men who avoids the least suggestion of what was "all highest" in the Kaiser. Officially he has become the most magnificent of all monarchs, not only crowned in Westminster Abbey but voyaging over half the world in order to be acclaimed in Delhi at a durbar of superb grandeur. The King

subordinates himself. He exalts what the Prince of Wales in his off-hand way describes as the "job."

King Edward liked to be called the peacemaker, an appellation that has suffered somewhat under the scrutiny of the historian. It is not with peace abroad that King George is especially concerned. His chief aim is appeasement within his own realms. He is the conciliator. When he refused point-blank to subscribe to an accession oath which was expressed in terms offensive to Roman Catholics, when he and Queen Mary were received at the Vatican by the Pope, when the various leaders of opinion were invited to discuss the Irish question around a table in Buckingham Palace, the policy of the King was made plain. Not for him to follow the example of Queen Victoria, who supported Melbourne against Peel and Disraeli against Gladstone. Under King George political opponents must learn that, in these hazardous times, men of goodwill must work together.

The mobilization of a national sentiment has been a formidable task. At his accession King George was faced by a paralyzed Parliament. The Lords, representing land and wealth, were deadlocked with the Commons, representing various discontents and aspirations. Somehow the deadlock had to be broken. The King insisted upon two principles. First, the wishes of the people must be clearly indicated in successive elections. Secondly, the popular will, thus indicated, must prevail. He forced the Liberals to appeal to the country. By undertaking to create peers if necessary, he forced the Conservatives to accept the verdict.

If the King's reign, from that day onward, has been a success, it is because he has recognized frankly and without the least mental reserve that he is a strictly constitutional monarch.

Among his Prime Ministers there have been an Asquith and a Lloyd George, a MacDonald and a Bonar Law, nor can any one say whom among them he has preferred. When three parties—Liberal, Conservative and Labor—divided the electorate, the King did not listen for an instant to those who desired that the scales should be weighted against Labor. During the reigns of Victoria and Edward there was a constant suspicion that the throne was interfering, and today we have evidence that the suspicion was well founded. Nobody thinks of alleging that King George interferes. His contribution to history is much less irritating and much more decisive. He does not interfere. But he does intervene.

The full story of the economic crisis in August, 1931, has yet to be told. Was it "a banker's ramp" designed to dish the Labor government? Was it a bold deliverance of the country from a threatening collapse of credit? One thing is certain. The King traveled from Scotland to London and things happened. Not only did MacDonald resign. His seals of office were handed back to him and a National government was formed. These were events in which obviously the King played his part and the country backed the King's judgment.

The reign of King George has been a period of rapid transition throughout the British Empire. Twenty-five years ago the Imperial Parliament at Westminster claimed and exercised the right to legislate for the whole of the territories within the sovereignty of His Majesty. By the Statute of Westminster this right has been surrendered in so far as the Dominions are concerned, and almost the whole of the movement toward autonomy in In-

dia falls within the reign of King George.

The decline of centralizing parliamentary authority has left the empire, sometimes described as the Commonwealth of Nations, with the monarchy as the only remaining constitutional link of sovereignty, and this means that the monarchy, instead of being a survival of the past, has become an essential of the present and indispensable to the future. Without the monarchy Greater Britain would fall asunder.

The position of the King-Emperor has thus been enhanced greatly in importance and his activities have been multiplied. He accepts the advice of his Ministers. But those Ministers are no longer only those in London. Governments in Canada, Australia, South Africa and New Zealand also tender advice, sometimes, it is said, by long-distance telephone. To accept advice is no longer the King's sole duty. Advice from different quarters has to be molded into one coherent idea of policy. Nor is Buckingham Palace any more to be regarded merely as the home of the court. It has become a Department of State, as carefully conducted as any other department, with a rigid punctuality included in its efficiencies. It is not enough in these days to say that the King can do no wrong. He must not fail also to do the right thing.

The new importance of the British throne within the empire—not only as a link that symbolizes the alliance but as a kind of reserve on which it is possible to fall back when democratic processes yield inadequate results—means inevitably that the occupants of the throne, whoever they may be in years to come, will be tested as King George has been tested.

The Collectivist Illusion

By VIRGIL JORDAN*

IN his recent series of articles in CURRENT HISTORY, Stuart Chase's copious card-index of conclusive quotations and his inexhaustible scrap-book of persuasive statistics have again been opened, and three theorems have emerged, with the natural and obvious inevitability of the chicken from the egg, or vice versa, as you look at it. I say three, but since they are all the same any attempt to number them must resemble the impressive but specious particularity of the "points" in the platform of the National Union for Social Justice, or any of the ethereal economist's radio "sermons" from the Shrine of the Little Flower. Says Mr. Chase:

1. The whole world is going, going, almost gone collectivist, and the New Deal has put us in for it so deep we'll never come up any more.

2. This is inevitable, inescapable, ineluctable, predestined, fore-ordained by all the "forces" now in operation beneath the surface of the "modern scene," no matter who likes it or doesn't; and you'd better like it because it's good for you. Almost every kind of business, except perhaps the manufacture of fancy gadgets and the services of lady barbers, is a matter of public interest and the State must sooner or later step in.

3. There's a style and degree of government "step-in" to suit every public purse and political taste, and the public corporation, in which a

select group of preferred stockholders and the common taxpayer together hold the bag, seems to be favored for most collectivist purposes; but the march of progress is irresistibly from regulation to public ownership, to the greater glory of the wise and disinterested State and the more abundant life of the people.

This, of course, is the popular ditty of the day, the theme song of the current political circus and all its side-shows in this and most countries. Sometimes orchestrated in elaborate academic dialectic or engineering jargon, often with the fluty obbligato of the visiting British ladies-club lecturer, usually only with the ostinato thump of the soap-box, the tune is always the same: Capitalism has collapsed, its carcass lies moldering in the grave, and the collectivist apocalypse is at hand.

The State, the daring young man on the flying political trapeze, everywhere soars through the air of social unrest with the greatest of ease; and the Three Little Pigs planning the Age of Plenty have put the Big Bad Wolf of Business to final flight. This theme, in innumerable variations, is the folk-song of our time, and by a sort of self-hypnosis the incessant chant of the collectivist chorus has convinced us that the fairy tale must be true.

In its more superficial aspect, the "profound technological force" at work in this process is the simple one applied by Svengali, Coué & Co., that if you say a thing often and loud enough it will be so. But the problem of explaining this phenomenon goes

*Mr. Jordan, who is president of the National Industrial Conference Board, has written this article as a reply to the views set forth by Stuart Chase in the March, April and May issues of CURRENT HISTORY.

deeper; it is one for the psychoanalyst rather than for the economist. A single article is too scant a space in which to explore the labyrinth of complexes that underlies this spread of apocalyptic fervor displayed in the endless literature of economic hypochondria today. Most of them are displayed in Stuart Chase's series of articles. Here in his lucid and eupeptic pages one sees in their simplest and clearest form the familiar emotional symptoms of the apocalyptic revelation.

First and most fundamental among them is that firm and fervent infantile fixation upon government as the Great Mother, the ever-flowing breast of the more abundant life and comforting security. Alternating with this motif there emerges for a moment now and then that profound and inseparable mixture of fear and love for the State as the swift-punishing, implacable and all-powerful Father, the personification of the Big Stick.

Throughout one notes the characteristic evasion of unpleasant reality, the flight from fact, the imaginative wish-fulfillment fantasies that flower around the phrase "the age of plenty," the adolescent potency image implicit in the concept of the unlimited "power age." Beneath these deep-lying impulses which conjure up the vision of the collectivist apocalypse or the simpler perfections of the New Deal as compensation for the profound sense of individual creative impotence characteristic of our time, one sees the ever-present longing to escape the relentless struggle of individual existence, to relapse into the protecting anonymity of the mass, to return to some all-embracing refuge from reality and rest in the passive security, the automatic effortless enjoyment of the collectivist society—the economic Eden, the consumers' paradise.

With all this regressive withdrawal from the lonely rigor of the individual life, there is a curious note of resignation, showing itself sometimes in a despairing sense of inescapable destiny, sometimes in exulting self-immolation on the altars of the inevitable, which betrays the collectivist as more profoundly fatalistic than the normal individual realist whom the uplifting gawdsaker commonly condemns for this quality. This trait, of course, has always been evident in the grim dialectic of Marxism, where the doom of the individual personality by ineluctable class war ending only in the communism of the worm was graven in the tables of the law that were handed down from the Sinai of the British Museum.

Strange paradox, indeed, that collectivism should be considered as a gospel of hope, and every other conception of social organization and individual existence as a counsel of despair, for fundamentally the apocalyptic outlook of the collectivist is dominated by a suicide compulsion. The end to which he is being driven is individual extinction—annihilation of his personal existence by submergence in the mass.

All this, in its essential psychological traits and also in its manifestations of mass behavior and literary expression, is an old and recurrent phenomenon in history, characteristic of periods of depression, war, famine, plague, political chaos and creative decay, and exhibited in every essential detail in the Christianity of the Catacombs and other outbreaks of Messianism in the Middle Ages and since. The terminology and imagery have changed; the impulses and the psychological mechanisms are the same.

Words, phrases and slogans as always are mistaken for realities, endowed with magic potency, so that

when they are spoken it is assumed that something has been said and done. Great masses of people succumb to this cliché-psychosis and endlessly repeat meaningless verbal formulae as a substitute for thought or action, as an escape from individual effort or personal responsibility. This is the oldest form of flight from the facts of existence, and in the present epidemic of apocalypticism the radio and the press have given the illusions of language a potency and scope unprecedented and made the pain of readjustment to reality correspondingly widespread and difficult.

Today, instead of the priestly patter of the past, we hear hurled through the ether and see spread upon the pulp of millions of trees a vast stream of political lingo, economic and engineering argot, statistical jargon, pseudo-scientific mumbo-jumbo, which are becoming part of our everyday conversation, and the meaning of which not one in a million who uses them ever asks himself. For the Kingdom of Heaven, or the Promised Land, we have the New Deal or the Age of Plenty. The end of the world of work, the collapse of the capitalistic order of personal effort, and the coming of the collectivist State are revealed to the faithful by the signs and portents of endless statistical tables and "surveys," seen in the trances induced in the initiate by the manipulation of slide-rules and census reports.

Those modern Messiahs called economists abound in the wilderness of Washington or Louisiana or in the industrial desert around Detroit, crying to us to prepare for the power age of universal abundance and permanent security. In the catacombs of the Capitol, the simple and pure of heart castigate the wickedness of world, flesh and devil personified in industry and

finance, and preach the redistribution of wealth modeled on the miracle of the loaves and fishes. Under the banians of the alphabetical bureaus official fakirs mumble the mystic syllables of the abbreviations as they tell the billion dollar beads on their red tape rosaries and contemplate the Economic Nirvana of the New Deal. All over the land little bands of believers, hearing the call to eternal freedom from labor, assemble in college chapels, adult education associations, civic forums, women's clubs, leagues of what-would-you-like, and listen to the mystic messages from foreign lecturers and other apostles of the Gospel of National Planning, telling of the land flowing with milk and honey and paper money, of the heaven of high wages, unlimited leisure and free electricity, under the thirty-hour week, the TVA, the A. F. of L. and public works.

Quaint and touching in some of its aspects is this spectacle of apocalyptic enthusiasm, with its brisk Rollo-boy bravura. One wonders whether any of those who share it, or those who so blithely foster and stimulate it, have ever dared to look long and steadily into the depths into which this potent superstition of the all-wise, all-providing, all-protecting and all-powerful State relentlessly leads those who fall under its spell, whether they be victims of a fanatical leadership born of cruel lust for paternal power or of the infantile longing of those who, too feeble to bear the burden of life, yearn for the maternal embrace of government that absolves them from effort and shields them from chance?

One who has had any experience in struggling to interpret the tenuous, uncertain statistics of human behavior may be amused at some of the milder manifestations of the epidemic. There is, for example, the ingenuous, gog-

gling credulity of its medicine men for anything in the form of figures—a credulity somewhat disturbing to see in an engineer and accountant like Mr. Chase, who might some time have to design a railroad bridge or account for the bread cards in the collectivist State, and who yet seems to regard every statistical table as touched with the finality of Sinai. One may be equally amused to see, beneath the snappy American streamlines of the high-energy jargon and the new-economics clichés with which Mr. Chase and others interpret the coming collectivism, the old-fashioned buggy in which the imperial paternalism of Bismarck's Germany began its triumphal course among the democratic countries of the world, after the invariable principle by which the victors in national or class wars unconsciously absorb and make their very own the ideas which they set out to destroy in the vanquished.

But I fear that the American worker who helped to make the world safe for democracy and is still paying for it will find it a rather grim joke when he discovers that his struggle to destroy the divine right of the State in Berlin resulted in contracting a worse case of the disease in Washington and that twenty years after the war the country that crushed Imperial Germany is copying the cruel depersonalized paternalism of the original servile State?

At the end of his articles the cheery Stuart Chase does indeed find himself for a brief moment peering into the depths of the human and personal implications of the Absolute State, but he promptly steps back from the brink into the rosy cloud of confident forecast in which he rides. Rarely does the collectivist like to look long and hard at anything that does not fit into his pleasant picture of the

way he would like to have people behave.

Rarely is he willing to look long and hard enough even at his detested capitalism to see what this word-devil really stands for. A few familiar phrases, like "a society of millionaires and paupers," always furnish sufficient substitute for thought. As if by accident one of Mr. Chase's card-index quotations about it seems to have slipped into his pack in the wrong place, to tell us casually what a few people have patiently been trying to explain even to business men who themselves do not seem to understand it—that "capitalism is not a profit system, but a profit and loss system." Mr. Chase casually encloses the phrase in a couple of parentheses and passes on, apparently unconscious that it is the key not only to the creative power and accomplishment of capitalism, but also to the impotence and sterility of collectivism wherever the weakness of a people have made them succumb to it. But that is a story too long to tell in this place, and too late to be listened to when only bitter experience can convey its lesson.

No objective observer can question the superficial significance of the swift and universal drift toward collectivism which Mr. Chase describes. Everywhere the degeneration of individual integrity, of personal enterprise, effort, risk, courage and sacrifice is evident. Everywhere the spell of the superstition of the omnipotent State is seen exerting its sinister power upon the sterile and infantile mass mind. In Europe the psychosis of Statism moves swiftly to its invariable end. The suicide compulsion that underlies the collectivist mass psychology has its most immediate and universal manifestation in war, and in modern times wars cannot be fought

by individuals; they mean absolute submission to the State, and their only outcome is complete collectivist regimentation.

The depth to which the American people have been sunk, not only financially but spiritually, in the collectivist quicksand is apparent enough, and one who has explained the process so often in the past two years cannot quarrel with Mr. Chase's accounting of its extent or his assurance that we shall probably not extricate ourselves from it. The popular expounder of the principles of the New Deal and the inventor of the slogan ought to know. We may take his word for it, and the Republican party, if any, may take its cue from his clear and comprehensive characterization of it. But we must not mistake its deeper meaning in terms of economic welfare and human freedom. They are not, at the end of the road, what they seem in the pipe-dreams and tweedy-idealism of the Connecticut word farmer.

On the coldly economic side the superstition of the State is perhaps least easy to see through in this day of the magic-minded Massemensch who had no part in making the marvels by which he lives. The burdens of prosperity and progress have always been borne by only a few creative spirits, insatiably seeking knowledge, recklessly risking danger, enduring endless labor to bring order and accomplishment out of the indifference of nature and the indolence of man. In its arrogant ignorance the great inert mass of humanity that was spawned into the Western nations by the productive enterprise of the past century imagines that it has made and can command, by some magic of government, the miracles of the modern world in which it lives. Yet in truth it is but the dumb beneficiary of the daring, the industry,

the sacrifice and effort of a mere handful of forgotten men who carry it on their backs. By blindly destroying them it will some day destroy itself.

The unromantic truth is that neither the industrial revolution nor the growth of government has changed the essential conditions of human existence and accomplishment. "Natural forces" and "economic laws" may be "summarily discarded" by the dicta of Mr. Chase, while the apocalyptic chorus may chant its mystic syllables about the "power age" and the academic monks may illuminate their "charts of plenty." But the hard facts about human insecurity and the struggle for existence remain undented. The essential problem of production, which is the sole basis both of prosperity and whatever measure of security is possible to the species on this hostile planet, has never been solved.

There is no trustworthy statistical evidence indicating anything other than transient overproduction of particular commodities in special places at any time. Everything that men produce is consumed or worn out as fast as it is made, or in a short while, somewhere, by somebody, at some price or at none. The whole theory of overproduction, underconsumption, oversaving, deficiency of purchasing power and excessive debt-overhead, which is the current credo of collectivist economics, is pure political mythology, unsupported by any comprehensive and conclusive scientific data of any kind.

It is still barely possible, and only under the most favorable circumstances, to feed and clothe the world at a sheer subsistence level with the existing working capacity and equipment of its population. Machinery is ancient, but man is older. Even our modern power machinery may be a

substitute for muscle, but it never can be for the enterprise and effort of the human personality. The human animal is incurably inclined to try to get the maximum satisfaction with the minimum exertion, and his mass accomplishment is always a compromise between these two impulses.

Individuals differ widely in endowment of intelligence and energy, as do nations in natural resources and the creative will of their people. To imagine that any economic system or social organization will enable any large population automatically to enjoy universal, equal and permanent abundance and security without regard to the productive capacity of the individuals who compose it and the resources of the area in which it lives, is a sheer infantile wish-fantasy of the mass mind with its roots in the fairy tales and folklore of the sugar-plum tree, the manna shower and Aladdin's lamp. Only by the greatest and most continuous effort and the most daring enterprise on the part of a few is it possible to enable the many to live at all. Everything that has been done, everything that gets done anywhere, is done in the end by some individual. The human personality, eternally alone, is the sole source and well-spring of all prosperity, progress and security the race has ever known. The mass—that fearsome symbol of modern spiritual sterility—is never more than a mobilization, in the lowest common denominator, of the envy and greed, the delusion and despair of the individuals who compose it.

Neither the technical arts nor the State has any necessary relation to these essential realities. They are rooted in the facts of human personality and the conditions of its existence on this hostile planet, and are likely to remain so, at least until babies are born from bottles into Huxley's "brave

new world." Certainly the collectivist apocalypse will not change them. The capitalism which it is to replace next Monday morning, so far as the word retains any meaning, is not an economic system so much as it is an expression of those human facts and an adaptation to those natural conditions—an individual attitude toward life and work. If it exists at all you do not change it by changing your Cabinet or your Constitution or using electric toasters. Capitalism was not born in the boiler of Watt's steam engine, nor will it die in the dynamos of Wilson Dam or Dniestrostroy—unless, indeed, it is already dead, in which case our dynamos will do us no good.

On its economic side capitalism is a principle of organization of human effort whereby the greatest energy in the world, the largest and most unexhaustible reservoir of power known—the intelligence, industry and enterprise of individuals who exert it to advance their prosperity, security and prestige—is released for productive accomplishment. It implies great hope of gain and great risk of loss, but the total productive result is larger in proportion to the population than has even been achieved under any other organization. That result accrues ultimately to the benefit of the great mass of consumers without regard to their share in the risk it requires or their stake in the reward that stimulated it. To them ultimately goes the great bulk of the goods and services which are the outcome of the enterprise organization, no matter how the paper claims upon it may be initially distributed.

Profits and losses offset each other, and over the years no net profit is preserved for any individual or group in the system, save to the community as a whole in a higher standard of living. All savings are dissipated and

consumed; and in a constantly shorter span, as the speed of enterprise increases, they are returned to the community in goods and services, no matter what becomes of the claims that represent them. By an inescapable economic entropy these claims evaporate and the "capital" they represent disintegrates into "groceries." The secret of the power and accomplishment of capitalism lies not only in the fact that it so effectively stimulates and releases the energies of men in accumulating capital but that it correspondingly speeds the dissipation of capital. The expectation of profit makes its wheels turn; the unseen certainty of loss keeps them turning.

All economic systems are the same, inescapably capitalistic, in that somebody must do the saving that makes future production and its increase possible; they differ mainly in respect of who does the losing. The enterprise system, which we mistakenly assume has the monopoly of capitalism, involves: (1) An incessant individual effort of a few who make production possible to recover its cost or more from the many, and (2) their invariable failure, in the aggregate, to do so. Collectivism, on its strictly economic side, is essentially a system in which—whatever becomes of the profits—the many try through the State to collect the losses from the few. The effort is equally futile, but its effects are fatal for the welfare of the many. Your collectivist imagines that his only problem is to distribute the profit, but the real task is to collect the deficit. Every economic system inevitably involves both.

Here, in the collectivist psyche appears the magic image of the State—the cow that eats no grass, the inexhaustible udder of milk for the mass. Under collectivism, for the dilemma

of the deficit there is only one solution: You substitute public bankruptcy for private bankruptcy and you compensate for the waste of capital by collecting the public loss out of the private consumption of the few as long as you can, and ultimately out of the standard of living of the mass. In the transition, collectivism feeds on the profit of private enterprise; in the end, upon the bread of the people. Today, in America, not merely is collectivism, as Mr. Chase says, "making heavy inroads on private enterprise," it is living on it. When that source of subsistence ceases, it will begin to devour itself.

The State creates nothing net; it only consumes the surplus product of individuals. Everything it does is done at the expense of the enterprise and effort and thrift of its citizens. Throughout history the State has been the persistent and insatiable parasite on the creative power of its people, laying illimitable toll upon their industry, enterprise and intelligence. To say, as Mr. Chase does, that "down the long record of civilizations, the State has usually led and private enterprise has usually followed" is sheer falsehood. A good Marxian economic determinist should know better.

The "grim realities" that have forced this indefinitely expanding "overhead" upon the people of almost every country are the simple realities of political racketeering. Government is the original racket, and the greatest ever devised, whether practiced with plain pikes, swords or pistols, or conducted with economist's slogans. The State, as an economic agent, has never been much more than a mobilization of the power of the few for the exploitation of the many. Most political history is but the story of a strug-

gle of small groups for access to the public purse or for use of public power for private ends. Collectivism is that stage in the development of the State where the people no longer merely endure or condone public waste but demand it; and then it reaches a *reductio ad absurdum*, for when the State has to support everybody it becomes apparent that it can support nobody. All his subjects suddenly see that the King is naked.

But this economic illusion is the less sinister side of the superstition of the State. If this process of self-exploitation were all, it would soon exhaust itself. Before that another stage sets in. When the Absolute State can no longer subsist successfully by devouring the substance of its people, it begins to subjugate their spirits and destroy their soul. As the area of individual enterprise contracts and the productivity of industry declines, the standard of living can be maintained only by the arbitrary regimentation of labor. When the supply of pap from

the public nursing bottle gives out, the government as the Great Mother is replaced by the State as the Stern Father who sets his spoiled offspring goose-stepping in labor battalions to the sharp lash of the bread card. And with freedom of labor ends freedom of life and thought, for enterprise and property are inseparable from liberty.

Man then becomes, in such a sense as he has never known under the capitalism to which he has so carelessly applied the epithet, the slave of the machine, not merely the machine of modern industry but the far more frightful machine of the Servile State which tells him that he must work as, when, where and at whatever he is told, or starve.

This, one must say to Stuart Chase and his blithe band who so trippingly tootle the Utopian pleasures of the collectivist apocalypse in this Promising Land of ours, is the end of the road along which the spell of the Great Superstition so seductively draws us today.

America's Desolate Acres

By WAYNE GARD*

BLINDING duststorms, the most calamitous in American history, have been sweeping powdered topsoil from the Western plains across the broad Mississippi Valley and on toward the Atlantic seaboard. Thousands of farms have literally been blown away. For two years in succession there have been many days in which the sun has been blotted out over the Central States. Automobiles and trains have been halted; schools have been closed; farm animals have died as their lungs became clogged with the inescapable dust. Even the inhabitants of Manhattan penthouses have noticed an unaccustomed yellow haze overhead and a film of Dakota gumbo upon their furniture.

Such storms were less common and less blighting in the days when great herds of buffalo roamed over the prairies and plains, half-hidden in the tall grass on which they grazed. Grass roots pinned down the soil there, as they did, for the most part, even a generation ago. At the turn of the century the high plains that form the threshold to the Rockies still wore a carpet of grass, with patches of sage and occasional clumps of yucca. Grazing cattle had replaced the buffalo, but the soil remained in place and an occasional sandstorm in the Spring was only a minor annoyance.

But the World War created an abnormal export demand for farm crops.

Section after section of ranch land was bared to the plow. Tractors and harvesting machines were brought in. Feverishly, to take advantage of almost miraculous prices, the land was planted in wheat. Some of it went into corn or beans or—to the South—into cotton; but wheat was the gold that most of the farmers sought.

Today these farmers realize that they should have husbanded the soil they so hastily mined. For weeks this Spring they and their families wore ineffectual wet cloths over their faces as relentless winds picked up the essential topsoil of their land and bore it eastward, carrying hundreds of millions of tons across State lines to deposit it where it was less needed. Many of these people have been driven from their farms. Some of them might be dying of famine, save for prompt relief measures of the Federal Government.

The more discerning of those who helped plow up the plains are now ready enough to confess their mistake. "I brought the first tractor to this county," said Judge Noel McDade of the Texas Panhandle. "I often think that somebody ought to have met me at the line and turned me back. I wouldn't ask for anything if my land were back in grass."

The recent devastation of land needed for growing the nation's food can be attributed only in part to natural forces, such as the unprecedented drought of 1934. The duststorms in large measure are the bitter fruit of the American policy of reckless land

*Mr. Gard, a member of the editorial staff of *The Dallas News*, contributed to April CURRENT HISTORY an article on cotton entitled "The Planters' Prospects."

exploitation. They are also an omen of worse desolation which may follow if prompt steps are not taken to conserve the soil.

Even more serious than the erosion wrought by wind, though not marked by such spectacular signals, is that effected by water. With trees being cut four times as fast as they are planted, with vast pasture lands loosened by the plow, and with overgrazing continuing unchecked on the public domain, soil that required ages for its formation has been washed out to the sea at a rate estimated at 1,500,000,000 tons a year. The water carried away by the rivers comes back in rain clouds, but the soil is lost forever.

The process of erosion has been speeded by the denuding of great areas of American forest land within the last century. Lumbermen eager for quick profits have depleted the Northern forests, mowing down young trees as well as mature ones and refusing to make new plantings. The formerly immense forests of Michigan, Wisconsin and Minnesota have now so nearly disappeared that these States must import lumber for their own use. In Michigan, where 92 per cent of the original forest has been cut or destroyed, the stump lands have become rural slums where thousands of families live in crude huts and subsist on Federal relief.

The truth is that what we have been accustomed to regard as the boundless land resources of the United States have been slipping away without our being aware of their loss. We have as many acres as ever, but much of the fertility has been lost. A recent survey showed that a century of gully erosion had ruined half the good farm land in the Tennessee Valley. In various degrees, the same destructive forces have been at work in nearly every part of the country, until prob-

ably three-fourths of all tilled land has lost some of its fertility by erosion.

East of the Mississippi any one who drives through rural areas finds countless farms that have been abandoned after the topsoil has been washed away. Estimates based on available surveys indicate that 35,000,000 acres of what was formerly good farm land have been robbed, mainly by gully erosion, of usefulness for cultivation. In addition to this large area, equaling Pennsylvania, Massachusetts and Connecticut combined, much of the topsoil has been washed off 125,000,000 other acres, mostly still under cultivation, and another 100,000,000 acres has been reported in danger of similar impoverishment.

Most of this waste might have been prevented, though it has resulted not so much from deliberate choice as from lack of foresight. It has been going on ever since the Indians were first pushed back from the Atlantic seaboard and their hunting grounds cleared for the plow. Often the Federal Government itself has encouraged the exploitation of the soil.

Ever since the Continental Congress, within four months after the signing of the Declaration of Independence, began promising land to Revolutionary soldiers and sailors, the public domain has been sliced off rapidly. Between 1850 and 1871, the government gave 129,000,000 acres of Federal land to the railroads; and after the passage of the Homestead Act of 1862, a free farm awaited every pioneer who traveled westward in his covered wagon.

This policy of free farms was forced by popular pressure. At the Chicago Republican convention which nominated Lincoln, wildest applause greeted the reading of the homestead

plank, which embodied the agitation of forty years. In the ensuing campaign the "vote yourself a farm" argument was emphasized in the rural districts of the North much more than the slavery issue. The inducement of free farms, with the promise of a railroad to the Pacific, brought the restless agrarians flocking to the new party.

Scarcely any one would question the wisdom of the original Homestead Act as a means of settling the West, even though it led quickly to overexpansion in farming. But the supply of homesteads was not endless and the last of the more valuable land was taken decades ago. Long after all the profitable farm and ranch land had been given away, people were still allowed to wreck their hopes upon land that was definitely submarginal. Ill-advised reclamation projects also contributed to land exploitation as well as to the economic ruin of thousands of farmers. The desire to make the desert "blossom as the rose" caught the popular imagination, and the Federal Government obligingly financed the damming of streams and the draining of crayfish swamps for squatter residents or promoters who knew how to pull Congressional strings. In some instances large benefits came from this work, but many of those who settled on irrigated land were unable to pay their water charges and lost their farms to speculators.

The principal factors in land exploitation, however, have been the rapid depletion of American forests and the needless plowing of pasture land, both of which have contributed heavily to erosion and consequent floods and droughts. In periods of high prices for farm products, especially during and immediately after the World War, the amount of land

under cultivation has been enormously expanded. Until recently our crop land was increasing at the rate of about 4,500,000 acres a year. About one-third of this increase came from timber; the remainder was taken from grazing land, which since 1880 has shrunk by 189,000,000 acres.

Within the last few years the physical wearing out of farm soil has become more apparent because of world economic trends which themselves have contributed to the increase in submarginal land. The loss of foreign markets for American farm products has depressed prices and thus turned into waste land millions of acres formerly considered profitable. Except in the worst depression years, those who had the advantage of rich soil, mechanized production and relatively large-scale operation have been able to show a profit, even at lower selling prices for their products, but a multitude who sought a living from clay hillsides, tilled by laborious hand methods, have had to leave their sorry acres to further ruin by weeds, wind and water.

Hundreds of thousands of these abandoned farms, in addition to large areas of cut-over forest land, have come into possession of the various States through tax delinquency. In Mississippi alone 60,000 farms were expropriated for non-payment of taxes in the first three quarters of 1932. In Michigan the State owns 3,000,000 acres of land that has been offered for sale for taxes and retained in the absence of private bidders. In Florida nearly 2,000,000 acres have reverted to the State through tax delinquency. Nearly all the States have experienced a severe shrinkage in rural property taxes and have become burdened with a bewildering volume of land which they cannot sell or even give away.

The present problem is to take out of cultivation, temporarily at least, that land which can be farmed only at a loss and to devote it to a more sensible use. Linked with this problem are those of combating erosion, preventing floods, restoring lost forests, establishing game refuges and adding to the nation's recreational areas. In the days when prosperity sprouted from the ticker-tape, scarcely any attention was paid to such matters, but they cannot any longer be overlooked.

Although most people were unaware of the need of land retirement and soil conservation until the 1934 drought and subsequent dust storms led to the proposal for a gigantic shelter belt, farm economists for more than a decade had been advocating the adoption of a policy of scientific land utilization. The launching of such a program was looked upon as imperative by the National Agricultural Conference of 1922 and later by the Business Men's Commission on Agriculture, whose report was published jointly in 1927 by the National Industrial Conference Board and the Chamber of Commerce of the United States.

A conference on land utilization in 1931 asked the Reclamation Service to confine its efforts to the completion of projects already started and took steps to further the classification and proper use of land. Henry A. Wallace, before the 1932 national party conventions, outlined a platform for farm relief, in which one of six planks read: "End reclamation projects and begin an extensive program of buying up poor land for reforestation." Although submerged by other issues that seemed more urgent at the time, land utilization was advocated by both major parties in the 1932 Presidential campaign.

A plank in the Republican platform favored a policy of land use that would look to national needs. Such a policy, this plank explained, "must foster reorganization of tax units in areas beset by tax delinquency and divert lands that are submarginal for crop production to other uses. The national welfare plainly can be served by the acquisition of submarginal lands for watershed protection, grazing, forestry, public parks and game reserves." In his Des Moines speech President Hoover specifically approved this plank.

The views of the Democratic candidate on land utilization and reforestation were made equally plain. In his Atlanta campaign speech Mr. Roosevelt declared that "in most of the States east of the Mississippi it will undoubtedly be determined that somewhere between 10 and 20 per cent of existing farm acreage now used for agricultural crops should be abandoned as such and converted into use for tree crops."

Some steps had already been taken toward curbing the process of land exploitation. In the Nineties large forest tracts were withdrawn from the lands available for homesteading, and later the efforts of Theodore Roosevelt and Gifford Pinchot did much toward awakening the public to the need for putting a brake upon the squandering of the nation's natural wealth. Theodore Roosevelt withdrew from the disposable public domain large areas of forests, phosphate lands, potential coal lands and potential power sites.

Before the advent of the New Deal administration several States also made important beginnings in land conservation and reforestation. New Jersey, Pennsylvania, Michigan and other States undertook extensive tree planting, and in 1931 New York vot-

ers ratified a State Constitutional amendment calling for an appropriation of \$19,000,000, spread over a period of eleven years beginning with 1932, for an ambitious program of reforestation. This money is being used in buying more than a million acres in designated counties and planting the land in forests. The areas being acquired are abandoned farm lands classified as submarginal and will account for about one-fourth of the State's deserted farms.

Yet, despite these beginnings, the land problem was one of the most serious and least understood of the issues confronting President Roosevelt when he was inaugurated in 1933. We appeared to be within a generation of a timber famine and countless gullies were robbing abandoned farms of their remaining topsoil. The traditional policy of quick land exploitation had left a wake of rural wreckage, both material and human. Considering the bank panic and the other emergency situations that required immediate attention from the Roosevelt administration, it is amazing that the problem of land received as much attention as it did in the early stages of the New Deal. As Governor of New York, however, Mr. Roosevelt had become impressed with the importance of reforestation, and his Secretary of Agriculture realized the need for long-range land planning as well as for emergency farm relief.

Without the ballyhoo and street parades that marked the hatching of the Blue Eagle, several important steps have been taken in giving effect to a far-sighted policy of land utilization. The Civilian Conservation Corps, formed with unexpected promptness, already has added millions of dollars to the value of the nation's forests and has undertaken projects to control erosion and floods in many

States. This work has met with almost universal approval and the corps appears destined to become a permanent organization.

Other steps taken toward the conservation of land resources include the extension of land surveys, the curbing of overgrazing on the public domain by the Taylor act of 1934, the withdrawal of public lands from homestead entry by an order of the President in February, 1935, and the adoption of a vast program of land purchase which already has brought several million acres of worn-out farms back to the Federal Government. Preventive work is being done by teaching farmers the value of terracing and of crop rotation. Land conservation is also served incidentally by the emergency program of acreage reduction, which involves the return of crop land to pasture and thus helps to protect it against erosion.

Perhaps the most important step of all was the President's appointment of the Land Resources Board, which undertook for the first time in American history to make a careful inventory of the nation's physical assets and a scientific study of the problem of their conservation and use. The board, headed by Harold L. Ickes and assisted by a staff of experts, reported to the President in December, 1934.

This report constitutes a well-documented and reliable guide for those who must formulate new policies for the use of land, water, minerals and hydro-electric power. Only the recommendations on land use are mentioned here, but these call for a severe overhauling of the lax land policies which have prevailed for generations. The principal recommendation is that a land-purchase program, to secure more effective use of areas than is probable under private ownership, be

undertaken over a term of years, involving continued retirement of sub-marginal lands at the rate of about 5,000,000 acres a year for about fifteen years; additions to the National and State forests; additional wild-life refuges; additional National and State parks and purchase of areas within existing National park boundaries; enlargement of Indian reservations, and squaring out or blocking up delinquent tax areas in cooperation with States enacting suitable legislation concerning State and county titles to tax-delinquent lands.

The enormous patronage of dude ranches and seaside resorts, even in years of depression, suggests that the conversion of suitable areas into recreational parks for people of small incomes would meet with favor. Many people have more leisure than formerly, and the growing network of hard roads enables them to travel more easily from noisy cities to woodland and lakeside. Linked closely with the recreational aspect of land utilization is the protection of wild life. The combination of land exploitation and ruthless shooting and fishing has made some forms of game extinct and others extremely rare. The needless draining of 17,000,000 acres of lake, marsh and river-bottom land in the North Central States, for example, has had a devastating effect upon the supply of wild ducks and geese. We have more hunters than ever before, but less game.

Yet, despite the enormous depletion which has been effected, the meat, fur and feather value of wild animals and birds in the United States is estimated at \$190,000,000 a year. American hunters spend \$158,000,000 a year on equipment; other expenditures arising from hunting and fishing, including the maintenance of numerous

clubs, are estimated at \$254,000,000 a year. If polluted streams could be purified and stocked with fish, if wild ducks and geese could be given a new lease of life, and if antelope and bighorn sheep could be enabled to roam again over large areas of the country a new land policy might become economically important in addition to providing for many thousands a new world of recreation and sport.

The land program advocated by the National Resources Board already has been approved in part, and Rexford G. Tugwell has been given charge of the conservation projects already undertaken. With money appropriated for public works further steps are expected to be taken toward carrying out a long-range policy of conservation to counteract the exploitation of the past. The principal discouraging factor now is the danger lest political pressure from reclamation promoters may induce Congress to spoil the effect of land conservation measures by continuing to squander hundreds of millions of dollars in irrigating deserts and sending more families to their economic doom. In the spending spree of the last two years Congress has made enormous appropriations for additional projects of this type, and it may be some time before the voracity of land speculators is successfully resisted.

In general, however, land economists have good reason to be hopeful. The idea is spreading that the United States has reached maturity as far as its physical assets are concerned, and that the future demands conservation and such replacement as may be possible. In the past there has been a continuous shaking of plums from the public domain; yet even a plum tree may sometimes require careful nurture and judicious pruning.

A Negro Nation Within the Nation

By W. E. B. Du Bois*

NO more critical situation ever faced the Negroes of America than that of today—not in 1830, nor in 1861, nor in 1867. More than ever the appeal of the Negro for elementary justice falls on deaf ears.

Three-fourths of us are disfranchised; yet no writer on democratic reform, no third party movement says a word about Negroes. The Bull Moose crusade in 1912 refused to notice them; the La Follette uprising in 1924 was hardly aware of them; the Socialists still keep them in the background. Negro children are systematically denied education; when the National Education Association asks for Federal aid to education it permits discrimination to be perpetuated by the present local authorities. Once or twice a month Negroes convicted of no crime are openly and publicly lynched, and even burned; yet a National Crime Convention is brought to perfunctory and unwilling notice of this only by mass picketing and all but illegal agitation. When a man with every qualification is refused a position simply because his great-grandfather was black there is not a ripple of comment or protest.

Long before the depression Negroes in the South were losing "Negro"

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jobs, those assigned them by common custom—poorly paid and largely undesirable toil, but nevertheless life-supporting. New techniques, new enterprises, mass production, impersonal ownership and control have been largely displacing the skilled white and Negro worker in tobacco manufacturing, in iron and steel, in lumbering and mining, and in transportation. Negroes are now restricted more and more to common labor and domestic service of the lowest paid and worst kind. In textile, chemical and other manufactures Negroes were from the first nearly excluded, and just as slavery kept the poor white out of profitable agriculture, so freedom prevents the poor Negro from finding a place in manufacturing. The world-wide decline in agriculture has moreover carried the mass of black farmers, despite heroic endeavor among the few, down to the level of landless tenants and peons.

The World War and its wild aftermath seemed for a moment to open a new door; 2,000,000 black workers rushed North to work in iron and steel, make automobiles and pack meat, build houses and do the heavy toil in factories. They met first the closed trade union which excluded them from the best-paid jobs and pushed them into the low-wage gutter, denied them homes and mobbed them. Then they met the depression.

Since 1929 Negro workers, like white workers, have lost their jobs, have had mortgages foreclosed on their farms and homes, have used up

their small savings. But, in the case of the Negro worker, everything has been worse in larger or smaller degree; the loss has been greater and more permanent. Technological displacement, which began before the depression, has been accelerated, while unemployment and falling wages struck black men sooner, went to lower levels and will last longer.

Negro public schools in the rural South have often disappeared, while Southern city schools are crowded to suffocation. The Booker Washington High School in Atlanta, built for 1,000 pupils, has 3,000 attending in double daily sessions. Above all, Federal and State relief holds out little promise for the Negro. It is but human that the unemployed white man and the starving white child should be relieved first by local authorities who regard them as fellow-men, but often regard Negroes as subhuman. While the white worker has sometimes been given more than relief and been helped to his feet, the black worker has often been pauperized by being just kept from starvation. There are some plans for national rehabilitation and the rebuilding of the whole industrial system. Such plans should provide for the Negro's future relations to American industry and culture, but those provisions the country is not only unprepared to make but refuses to consider.

In the Tennessee Valley beneath the Norris Dam, where do Negroes come in? And what shall be their industrial place? In the attempt to rebuild agriculture the Southern landholder will in all probability be put on his feet, but the black tenant has been pushed to the edge of despair. In the matter of housing, no comprehensive scheme for Negro homes has been thought out and only two or three local projects planned. Nor can broad plans be made until the nation or the community de-

cides where it wants or will permit Negroes to live. Negroes are largely excluded from subsistence homesteads because Negroes protested against segregation, and whites, anxious for cheap local labor, also protested.

The colored people of America are coming to face the fact quite calmly that most white Americans do not like them, and are planning neither for their survival, nor for their definite future if it involves free, self-assertive modern manhood. This does not mean all Americans. A saving few are worried about the Negro problem; a still larger group are not ill-disposed, but they fear prevailing public opinion. The great mass of Americans are, however, merely representatives of average humanity. They muddle along with their own affairs and scarcely can be expected to take seriously the affairs of strangers or people whom they partly fear and partly despise.

For many years it was the theory of most Negro leaders that this attitude was the insensibility of ignorance and inexperience, that white America did not know of or realize the continuing plight of the Negro. Accordingly, for the last two decades, we have striven by book and periodical, by speech and appeal, by various dramatic methods of agitation, to put the essential facts before the American people. Today there can be no doubt that Americans know the facts; and yet they remain for the most part indifferent and unmoved.

The main weakness of the Negro's position is that since emancipation he has never had an adequate economic foundation. Thaddeus Stevens recognized this and sought to transform the emancipated freedmen into peasant proprietors. If he had succeeded, he would have changed the economic history of the United States and perhaps saved the American farmer from

his present plight. But to furnish 50,000,000 acres of good land to the Negroes would have cost more money than the North was willing to pay, and was regarded by the South as highway robbery.

The whole attempt to furnish land and capital for the freedmen fell through, and no comprehensive economic plan was advanced until the advent of Booker T. Washington. He had a vision of building a new economic foundation for Negroes by incorporating them into white industry. He wanted to make them skilled workers by industrial education and expected small capitalists to rise out of their ranks. Unfortunately, he assumed that the economic development of America in the twentieth century would resemble that of the nineteenth century, with free industrial opportunity, cheap land and unlimited resources under the control of small competitive capitalists. He lived to see industry more and more concentrated, land monopoly extended and industrial technique changed by wide introduction of machinery.

As a result, technology advanced more rapidly than Hampton or Tuskegee could adjust their curricula. The chance of an artisan's becoming a capitalist grew slimmer, even for white Americans, while the whole relation of labor to capital became less a matter of technical skill than of basic organization and aim.

Those of us who in that day opposed Booker Washington's plans did not foresee exactly the kind of change that was coming, but we were convinced that the Negro could succeed in industry and in life only if he had intelligent leadership and far-reaching ideals. The object of education, we declared, was not "to make men artisans but to make artisans men." The Negroes in America needed leadership

so that, when change and crisis came, they could guide themselves to safety.

The educated group among American Negroes is still small, but it is large enough to begin planning for preservation through economic advancement. The first definite movement of this younger group was toward direct alliance of the Negro with the labor movement. But white labor today as in the past refuses to respond to these overtures.

For a hundred years, beginning in the Thirties and Forties of the nineteenth century, the white laborers of Ohio, Pennsylvania and New York beat, murdered and drove away fellow-workers because they were black and had to work for what they could get. Seventy years ago in New York, the centre of the new American labor movement, white laborers hanged black ones to lamp posts instead of helping to free them from the worst of modern slavery. In Chicago and St. Louis, New Orleans and San Francisco, black men still carry the scars of the bitter hatred of white laborers for them. Today it is white labor that keeps Negroes out of decent low-cost housing, that confines the protection of the best unions to "white" men, that often will not sit in the same hall with black folk who already have joined the labor movement. White labor has to hate scabs; but it hates black scabs not because they are scabs but because they are black. It mobs white scabs to force them into labor fellowship. It mobs black scabs to starve and kill them. In the present fight of the American Federation of Labor against company unions it is attacking the only unions that Negroes can join.

Thus the Negro's fight to enter organized industry has made little headway. No Negro, no matter what his ability, can be a member of any

of the railway unions. He cannot be an engineer, fireman, conductor, switchman, brakeman or yardman. If he organizes separately, he may, as in the case of the Negro Firemen's Union, be assaulted and even killed by white firemen. As in the case of the Pullman Porters' Union, he may receive empty recognition without any voice or collective help. The older group of Negro leaders recognize this and simply say it is a matter of continued striving to break down these barriers.

Such facts are, however, slowly forcing Negro thought into new channels. The interests of labor are considered rather than those of capital. No greater welcome is expected from the labor monopolist who mans armies and navies to keep Chinese, Japanese and Negroes in their places than from the captains of industry who spend large sums of money to make laborers think that the most worthless white man is better than any colored man. The Negro must prove his necessity to the labor movement and that it is a disastrous error to leave him out of the foundation of the new industrial State. He must settle beyond cavil the question of his economic efficiency as a worker, a manager and controller of capital.

The dilemma of these younger thinkers gives men like James Weldon Johnson a chance to insist that the older methods are still the best; that we can survive only by being integrated into the nation, and that we must consequently fight segregation now and always and force our way by appeal, agitation and law. This group, however, does not seem to recognize the fundamental economic bases of social growth and the changes that face American industry. Greater democratic control of production and distribution is bound to replace existing

autocratic and monopolistic methods.

In this broader and more intelligent democracy we can hope for progressive softening of the asperities and anomalies of race prejudice, but we cannot hope for its early and complete disappearance. Above all, the doubt, deep-planted in the American mind, as to the Negro's ability and efficiency as worker, artisan and administrator will fade but slowly. Thus, with increased democratic control of industry and capital, the place of the Negro will be increasingly a matter of human choice, of willingness to recognize ability across the barriers of race, of putting fit Negroes in places of power and authority by public opinion. At present, on the railroads, in manufacturing, in the telephone, telegraph and radio business, and in the larger divisions of trade, it is only under exceptional circumstances that any Negro, no matter what his ability, gets an opportunity for position and power. Only in those lines where individual enterprise still counts, as in some of the professions, in a few of the trades, in a few branches of retail business and in artistic careers, can the Negro expect a narrow opening.

Negroes and other colored folk, nevertheless, exist in larger and growing numbers. Slavery, prostitution to white men, theft of their labor and goods have not killed them and cannot kill them. They are growing in intelligence and dissatisfaction. They occupy strategic positions, within nations and besides nations, amid valuable raw material and on the highways of future expansion. They will survive, but on what terms and conditions? On this point a new school of Negro thought is arising. It believes in the ultimate uniting of mankind and in a unified American nation, with economic classes and racial barriers leveled, but it believes this is an ideal

and is to be realized only by such intensified class and race consciousness as will bring irresistible force rather than mere humanitarian appeals to bear on the motives and actions of men.

The peculiar position of Negroes in America offers an opportunity. Negroes today cast probably 2,000,000 votes in a total of 40,000,000, and their vote will increase. This gives them, particularly in Northern cities, and at critical times, a chance to hold a very considerable balance of power, and the mere threat of this being used intelligently and with determination may often mean much. The consuming power of 2,800,000 Negro families has recently been estimated at \$166,000,000 a month—a tremendous power when intelligently directed. Their man power as laborers probably equals that of Mexico or Yugoslavia. Their illiteracy is much lower than that of Spain or Italy. Their estimated per capita wealth about equals that of Japan.

For a nation with this start in culture and efficiency to sit down and await the salvation of a white God is idiotic. With the use of their political power, their power as consumers, and their brain power, added to that chance of personal appeal which proximity and neighborhood always give to human beings, Negroes can develop in the United States an economic nation within a nation, able to work through inner cooperation, to found its own institutions, to educate its genius, and at the same time, without mob violence or extremes of race hatred, to keep in helpful touch and cooperate with the mass of the nation. This has happened more often than most people realize, in the case of groups not so obviously separated from the mass of people as are American Negroes. It must happen in our

case, or there is no hope for the Negro in America.

Any movement toward such a program is today hindered by the absurd Negro philosophy of Scatter, Suppress, Wait, Escape. There are even many of our educated young leaders who think that because the Negro problem is not in evidence where there are few or no Negroes, this indicates a way out! They think that the problem of race can be settled by ignoring it and suppressing all reference to it. They think that we have only to wait in silence for the white people to settle the problem for us; and finally and predominantly, they think that the problem of 12,000,000 Negro people, mostly poor, ignorant workers, is going to be settled by having their more educated and wealthy classes gradually and continually escape from their race into the mass of the American people, leaving the rest to sink, suffer and die.

Proponents of this program claim, with much reason, that the plight of the masses is not the fault of the emerging classes. For the slavery and exploitation that reduced Negroes to their present level or at any rate hindered them from rising, the white world is to blame. Since the age-long process of raising a group is through the escape of its upper class into welcome fellowship with risen peoples, the Negro intelligentsia would submerge itself if it bent its back to the task of lifting the mass of people. There is logic in this answer, but futile logic.

If the leading Negro classes cannot assume and bear the uplift of their own proletariat, they are doomed for all time. It is not a case of ethics; it is a plain case of necessity. The method by which this may be done is, first, for the American Negro to achieve a new economic solidarity.

There exists today a chance for the Negroes to organize a cooperative State within their own group. By letting Negro farmers feed Negro artisans, and Negro technicians guide Negro home industries, and Negro thinkers plan this integration of co-operation, while Negro artists dramatize and beautify the struggle, economic independence can be achieved. To doubt that this is possible is to doubt the essential humanity and the quality of brains of the American Negro.

No sooner is this proposed than a great fear sweeps over older Negroes. They cry "No segregation"—no further yielding to prejudice and race separation. Yet any planning for the benefit of American Negroes on the part of a Negro intelligentsia is going to involve organized and deliberate self-segregation. There are plenty of people in the United States who would be only too willing to use such a plan as a way to increase existing legal and customary segregation between the races. This threat which many Negroes see is no mere mirage. What of it? It must be faced.

If the economic and cultural salvation of the American Negro calls for an increase in segregation and prejudice, then that must come. American Negroes must plan for their economic future and the social survival of their fellows in the firm belief that this means in a real sense the survival of colored folk in the world and the building of a full humanity instead of a petty white tyranny. Control of their own education, which is the logical and inevitable end of separate schools, would not be an unmixed ill; it might prove a supreme good. Negro schools once meant poor schools. They need not today; they must not tomorrow. Separate Negro sections will increase race antagonism, but they will also

increase economic cooperation, organized self-defense and necessary self-confidence.

The immediate reaction of most white and colored people to this suggestion will be that the thing cannot be done without extreme results. Negro thinkers have from time to time emphasized the fact that no nation within a nation can be built because of the attitude of the dominant majority, and because all legal and police power is out of Negro hands, and because large-scale industries, like steel and utilities, are organized on a national basis. White folk, on the other hand, simply say that, granting certain obvious exceptions, the American Negro has not the ability to engineer so delicate a social operation calling for such self-restraint, careful organization and sagacious leadership.

In reply, it may be said that this matter of a nation within a nation has already been partially accomplished in the organization of the Negro church, the Negro school and the Negro retail business, and, despite all the justly due criticism, the result has been astonishing. The great majority of American Negroes are divided not only for religious but for a large number of social purposes into self-supporting economic units, self-governed, self-directed. The greatest difficulty is that these organizations have no logical and reasonable standards and do not attract the finest, most vigorous and best educated Negroes. When all these things are taken into consideration it becomes clearer to more and more American Negroes that, through voluntary and increased segregation, by careful autonomy and planned economic organization, they may build so strong and efficient a unit that 12,000,000 men can no longer be refused fellowship and equality in the United States.

The Passing of Personality

By WALTER BROMBERG*

NATIONAL ideas and ideals have so altered during the past five years that we seem to have gone through a social revolution. In political, academic, scientific and social life there is abundant evidence of such change. One sign is to be seen in the passing of the "personality" fad. "Personality" was once prized as the greatest asset of those who struggle for fame or fortune, and the so-called science on which it was based had in consequence a publicity all its own.

What has become of the once highly prized "magnetic" personality? What has happened to the belief in the miracles of psychology? Where are the efficiency engineers of yesteryear, and the popular psychologists who overran the lecture platforms and filled the bookstores with their written discourse? Where are the gaudy texts of the seers who expounded Personality Development? Whither have gone the inspirational leaders, those men who devoted their lives to coaxing out of us the mental powers lurking in our subconscious? Today, except for a few stragglers, they have vanished like last Winter's snow, and public interest in psychology has waned.

Since the economic depression has distorted our social perspective, it is hard to understand how deeply we were absorbed in popular psychology during the Nineteen Twenties and how

gullible many of us were in accepting its claims and promises. In the post-war decade, though social and economic problems were discussed, it was without that uneasy feeling of imminent change or urgency which underlies our present anxieties. Even among the intelligentsia, psychology held first place as a topic of interest. The language of the period was enriched and modified by a new vocabulary. There was much talk of inferiority and superiority complexes, of over-compensations and repressed longings. One took pride in the ability to analyze associates in terms of moron, subconscious thoughts and intelligence quotients. The influence of the new psychology extended even to the stage, and in 1918 Susan Glaspell's play, *Suppressed Desires*, had a great run. People rocked with laughter at the symbolism involved in the hero's name, Stephen B-rewster, and his wife, Henrietta, and her barnyard dreams.

The lessons of "modern" psychology, moreover, seemed to coincide with what went on in daily life. Perhaps the realism emphasized by the World War made people more receptive to the trends in psychology. Certainly the reaction from pre-war idealism prepared the new generation for acceptance of the startling and often personal tenets of modern psychology. As a result the science flourished.

Psychology, it was believed, was a study that could enlighten us on all manner of emotional, social and even industrial problems. There was something tangible in psychology, something redeemable in dollars and cents.

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Perhaps, after all, science could pay for itself. The introduction of Personality into psychology made doubly sure that this particular science could be put on a profitable basis.

The social significance of the discovery of personality is not to be underestimated. Once personality had shown the way to the cash value of psychology, big business assumed control of the "science." Personality was more to be desired than the Presidency. It led to the rarefied heights of supersalesman and executive, and to what was fondly and reverently referred to as "big money." Since every one had the rudiments of personality, all that was required was to develop it. In a way this interest in psychology was analogous to the sudden emphasis upon the study of foreign languages. Spanish, for example, became the golden tongue when the limitless markets of South America beckoned our youth with the promise that devotion to study would bring substantial rewards. Fashion in education seems to follow economic trends, just as science, to some degree, follows social changes.

In the Nineteen Twenties a philosophy was needed to explain our national greatness. The psychology of personality supplied this need, and industry, discovering the "human" factor in business, gave the new science its blessing. Looking backward, it is easy to see that economic factors alone did not raise the United States to its 1928 pinnacle of industrial activity. The feeling of expansiveness and confidence that swept through the masses played an enormous part—it was exuberance backed by the explanations of "practical" science. When psychology concerned itself with personality it touched upon a crucial matter.

Psychology, of course, has always

been concerned with problems of personality. Formerly, when the science was inextricably entangled with philosophy, personality had a religious, almost moral, connotation. Medieval philosophy thought of personality as identity with God, hence "realization of self," self-consciousness. This doctrine of personal identity is still to be found in such inspirational books as *Personal Friendship With Jesus* (1897). During the latter part of the nineteenth century the work of introspectionist and experimental psychologists somewhat clarified the position of personality in psychology; at least, it was more accurately defined. Men like Prince, Sidis and James in the United States and Charcot, Forel and Bernheim in Europe studied personality through cases of multiple personality and hysteria. Their researches went to show that the human ego was a vast force that could be extended or cramped according to an individual's opportunities and mental endowments.

In the search for further sidelights on personality, pure psychology was deserted in favor of cognate branches of medical science. The study of heredity offered but slight help. Some years ago research by Kretschmer disclosed a relationship between physique and mental make-up that was confirmed by other students. He described what he called the "pyknic" type—a man, short, squarish, stocky, strong, usually obese and bald—who is an aggressive, social fellow, a doer and a go-getter in the world of men. Another, the "asthenic" type, is tall, lean, loose-muscled, long-haired and gentle—a thinker, a planner, a dreamer and a poet in the world of fantasy. Other physicians, more recently, have described types of physique that are prone to certain diseases—the "tuberculosis" or the "gall-bladder" indi-

vidual—as well as certain states of mind. The older medical science had some such idea when it spoke of the sanguine temperament, the phlegmatic, the choleric or the melancholic, depending on the distribution of the four bodily humors. All these discoveries are today of considerable importance in practical psychiatric work.

Related to this study of physique as an indicator of mental make-up is the problem of the ductless or endocrine glands. In rapid succession a series of brilliant studies within the past quarter century has established the functions of the various glands of the body whose balanced performance is necessary for a normally healthy individual. When the thyroid or pituitary, for instance, does not secrete properly there results a fundamental mental change which may go so far as to produce idiocy. Some of the earlier writers overstepped the bounds of scientific propriety and proclaimed that the search for the cause of human behavior had been ended by the discovery of the gland secretions. They held that we had only to find the deficient or overactive gland and to treat it to correct personality quirks.

Gland treatments were hailed in the early Nineteen Twenties as a cure for delinquent children. A book on *Glands and Personality* founded a science of human behavior based on the action of glands. Gland therapy replaced the "nerve tonics" of twenty years ago as revitalizers extraordinary. Personality could be varied according to whether one used thyroid or ovarian pills. Although controversy still rages, most careful observers now feel that endocrinology has a much more limited application than was claimed for it.

There are other schools of personality. The behaviorists insist upon the influence of environment on the developing personality. Geneticists have

gone to the first hours of the infant to look for signs of budding personality. Biochemists have searched the bloodstream for chemical clues; pathologists have examined the tissues of the body; biologists have scrutinized the germ-cells for a satisfactory answer to the riddle of personality. Vocational psychologists have gathered data on handwriting, self-analysis, work achievement, training, and so forth. Then there is the science of "psychography," a laboratory method of measuring personality by recording mental capacities under fixed standard conditions of performance. But undoubtedly the best source of knowledge of personality is based on psychiatric study. The developments of psychoanalysis have provided information and a point of view that have illuminated the origins of personality which were previously regarded as only propitious or hereditary traits.

These are the ways by which psychological science approached the study of personality. How was this interest transferred to the general public? There have always been lecturers and popularizers who have exploited the various aspects of psychology. Their audiences are composed in the main of neurotics who look on high for signs of deliverance from the torment of their frustrations and inner conflicts. This group was fed, for example, by the gentle Coué, who came from France with his message of success for those willing to repeat his formula, "Day by day in every way, I am getting better and better." His devotees flocked to his lectures and grew ecstatic over his maxims. Autosuggestion—actually an impossibility because "suggestion" must come from an outside source—swept the country. In reality, Coué did the suggesting and his patients imagined that theirs were the potent minds.

Coué was not alone. There were a number of domestic products in the field. One of them, a woman, who appeared on the lecture platform before a backdrop glowing with the color of rosy dawn, taught her audience to chant, in answer to her "How are you?" "Fine and dandy, why shouldn't I be?" And there was another popular lecturer, who in his heyday ten years ago taught the doctrine of "Body-rebuilding, Personality and Rejuvenation." Most of this group utilized some physical exercise, such as deep breathing, to usher in their mental "work."

The group of popular psychologists concerned only with mental troubles worked on the theory of the unexplored region of the mind—the subconscious—and its power over the conscious mind. By harnessing the powers of the subconscious, one could rise to undreamed-of heights. The repressed, the inhibited, the fearful were held spellbound at the prospect. A fuller life and more income was the oasis painted on the desert of mediocrity. This kind of persuasion had a strong appeal chiefly because it was enveloped by an air of authority and veneration. In the last analysis, these were ways of catering to the wish-fulfillment tendencies of the handicapped and the neurotic. Neurotics, tormented by vacillation, are always glad to submit to the voice of authority.

In addition to the "mental" group, there were teachers who applied the weapon of the Will to the building of Personality. The "Will to Do" and the "Will to Succeed" camp had many advocates. F. C. Haddock serves as a good example. In 1910 he wrote *The Personal Atmosphere*, sub-titled, *Ten Studies in Poise and Power*; in 1923 he republished it, and added another work, *Power of the Will—A Practical Companion Book for Unfolding the*

Powers of the Mind. These books, it is said, sold 558,000 copies!

Haddock's philosophy was based on the principle that "the basic idea of person is self-determined unfoldment. The will must take itself in hand for the greatest personal completeness." And the usual practical aspect is found in the foreword: "For the service of a sound soul the universe will pay any price." With this starting-point Haddock drops all pretense of developing personality as we know it and hammers away at the Will. For mental illnesses such as "mind wandering, stuttering, slang, indecision, want of opinion and opinionatedness," he counsels, "will not to do it." His rules for daily practice are at least positive if not easy: "Rule 1. Do not indulge in reverie. Cultivate the mood of expectancy. Demand health, demand luxuries, DEMAND * * * ATTENTION TO THE KING ON HIS THRONE—The King is WILL."

Such an approach is also adopted by M. H. Howie of the American Educational Institute. His brochure starts with the dedication: "Will and Work are sure to Win. Wishes fail but Will Prevails. Often the struggler has given up, when he might have captured the victor's cup."

There are others, like William Clark, whose methods of personality development lead through the cultivation of memory. In his teaching, however, he does not neglect the various arts of phrenology and physiognomy reading. Where Haddock appealed to the basis of human action, the will, Clark proceeded on a more tangible basis. We see this in his book published in 1920, *Power and Force: The Practical Application of Memory in Reading to Character and Personality in Business and Social Life*. A few of his chapter heads are: "Processes of Memory"; "Remembering Names

and Faces"; "Character Reading From the Nose, Mouth, Chin and Ears."

Some writers were more emotional. Florenz Norris in 1927 wrote a book extolling a Pollyanna brand of happiness and announcing that a "Winning Personality is worth a Million Dollars to you." Another psychologist, T. H. Pear, rediscovered the fact that the voice expresses the emotions; his volume was called *Voice and Personality* (1931). In Germany a man named Binsky mystified scientists by his electrical device which diagnosed personality traits by tapping certain parts of the skull. Shaftesbury brought out new editions of his work, *Personal Magnetism*, in which he insisted on the invincibility of the "magnetized" personality.

Innumerable examples of the technique of these public benefactors could be cited, but another factor was aiding the cause of popular psychology. This derived from the discovery of the "human factor." One offshoot of personality study developed into vocational psychology, while the introduction of the human factor into industry enlarged the scope of the efficiency engineer's work and brought personality into his realm. Big business began to see the value of psychology and in order to organize this new field properly, education was called on to help.

During the years after the war courses in industrial management and efficiency engineering were a prominent part of university curricula. In the engineering division of a metropolitan university the students were instructed in the art of developing a "boss psychology." They were taught to be aggressive, irresistible, forceful; they must know how to meet people and to hold their own. The students were given specific instruction on how to consort with the captains of indus-

try. "Take success for granted, assert yourself; act, think, dream success and your personality will grow daily!" Such was the pabulum our young industrial leaders were fed. Classroom exercises dealt with the enactment of these principles. Many a former student recalls with embarrassment his first application of these principles in the outside world.

For guidance to the student's approach to business men the appended paradigm was given. It was designed to give the engineer an opportunity to pick the weak spot in the psychological armor of his adversary or sales-resistant customer. The quotation is reproduced from the notebook of a graduate in Business Science some ten years ago:

Type 1. The seriously serious; has no spark of humor, all earnestness.

Type 2. The seriously unserious; serious on the surface but not a bad fellow.

Type 3. The unseriously serious; a good fellow, serious when he has to be but a good type.

Type 4. The unseriously unserious; a dull individual, hard to understand or work with.

Besides the colleges every business school, Y. M. C. A. and settlement house gave courses in the psychology of salesmanship, the attitude of success, and so on. Book publishers poured out short-cuts to culture, outlines of knowledge, five-foot bookshelves, foreign languages in easy lessons and so on. The basis for the whole movement was the development and enlargement of the personality. Happily all this occurred in a rising market when youth had its chance and money flowed freely.

Thus Personality development grew among platform-psychologists and was legitimized by the aid of educational institutions. But in 1929, at the peak of activity, there was a sudden falling off in interest. Enthusiasm evap-

orated so rapidly and more or less so unexpectedly that one must look for some cause other than psychology itself.

There was a special reason arising out of the times. Remember that there have always been neurotics who feel the need of bolstering their inadequacy or rationalizing their failures through some sort of mental healing. These individuals, because of emotional conflicts, physical inadequacies or mediocrity, were never destined for success. Among them the personality "developers" found a rich harvest. On the other hand, when industry and business sanctioned Practical Psychology, even the average, well-adjusted person felt comfortable and secure in "improving" his personality.

Rugged individualism was renamed Personality; ordinary business intercourse was called "contacting"; salesmen and executives became "public relations" men; social attractiveness had a place in business and Personality was taken over by red-blooded men. With the spread of instalment buying and speculating for future profits, the whole subject of merchandising, of buying and selling was found to be psychological in nature. It appeared that the purchaser had a Personality as well as a pocketbook and that the seller had to develop a Personality. All this set in motion a legion of persons who taught salesmen and purveyors anew the essentials of practical psychology.

When prosperity faded, it seemed of little moment whether the subconscious powers were developed to the full or not. Ordinary shelter and daily bread became immediate and fundamental problems. In times of stress, of course, emphasis on expansive and luxurious living is relaxed. In psycho-

logical terms the cruder ego problems come closer to the surface because the very existence of the individual is threatened. Even people in comfortable circumstances have in the last few years experienced the terror of insecurity. The increased number of suicides among men who have met financial reverses and the large number of nervous breakdowns among business men are evidence on this point.

Individualism, therefore, in the sense of a continued expansion and growth of one's powers, becomes less important. If there is any common spirit abroad among people it will be more in the direction of community maintenance than of individual aggrandizement. This does not deny the fact that there remain a few careerists and psychopaths whose interest continues to be in themselves. But in the main, personal development as a significant force in our lives has lost its attractiveness. The money-making value of a Personality has declined, for a pleasing disposition no longer creates the fortune for its owner that might once be its reward. Characteristically, the American people, who always love a winner, have lost their interest in the art of developing a Personality. And since there is no market, the popularizers of psychology, those purveyors to the psychopaths, have found their stock turned to dust in their hands.

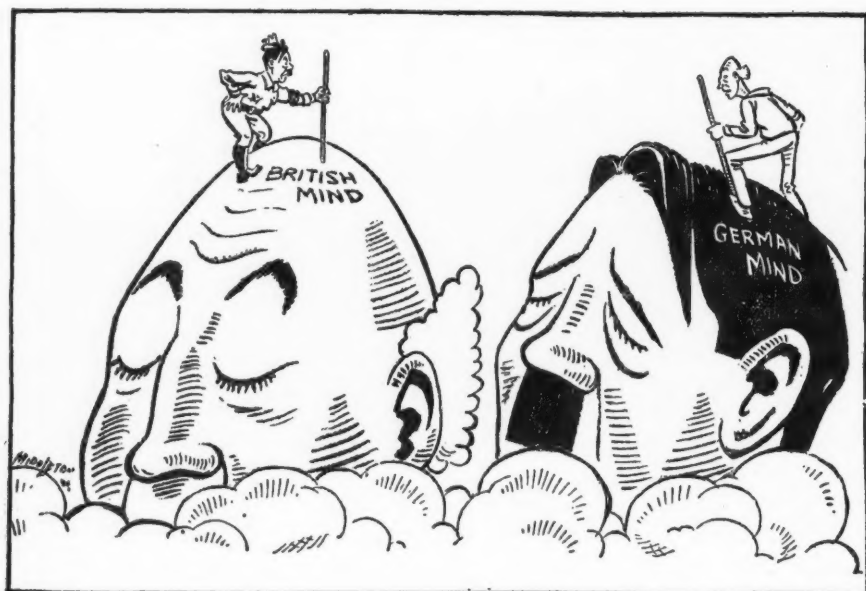
Once more the problem of personality is in the keeping of accredited psychologists, psychiatrists and students of human behavior. It is back in the clinic, hospital and laboratory where scientists are attacking the problem with vigor, aware of its complexity and disdainful of attempts at cheap and crude popularization.

Current History in Cartoons



The quick and the dead

—The Sun, Baltimore



The explorers

—Birmingham Gazette



Was her invitation omitted?

—Glasgow Bulletin



Mussolini—"Now I'll blow a real one"

—Mecha, Warsaw



Bolivia—"You are my prisoner!"
Paraguay—"Now I have you!"

—Il 420, Florence



An old air revised
—Commercial Appeal, Memphis



Trying to pull the fuse
—Christian Science Monitor



"Throw all that away and I'll make the country prosperous"

—New York World-Telegram



Two-Gun Huey

—Philadelphia Inquirer



How to keep it balanced?

—St. Louis Post-Dispatch



The conquering hero

—Courier-Journal, Louisville



Loaded
—Columbus Dispatch



The last bullet
—Birmingham Age-Herald



Trotting out the Trojan Horse
—Richmond Times-Dispatch



Thistle in the clover
—St. Louis Star-Times



"Want your budget balanced too?"
—St. Louis Post-Dispatch



The good neighbor
—News and Observer, Raleigh



Don't forget the departing voyager
—Newark Evening News

A Month's World History

Chronology of Current Events

(Figures indicate page numbers.)

International Events

- Mar. 27—Japan formally leaves the League (334).
Apr. 11—Stresa Conference opens (286).
Apr. 17—League Council censures Germany for treaty violation (287).
Apr. 19—Starhemberg and Mussolini hold conversations.
May 2—France and Russia sign pact of mutual assistance (288).

The United States

- Apr. 8—President Roosevelt signs relief bill (294).
Apr. 9—House passes McSwain War Profits Bill (292).
Apr. 10—President Roosevelt raises price government pays for silver (297).
Apr. 14—All outstanding Fourth Liberty bonds called (297).
Apr. 19—Social Security Bill passes House (295).
Apr. 24—Price of silver raised by President Roosevelt (297).
Apr. 28—President Roosevelt broadcasts to the nation (298).
May 2—Chamber of Commerce attacks New Deal (299).
May 3—Revolt breaks out in Philippines (299).
May 6—Supreme Court voids Railway Pension law (297).

Canada

- Apr. 12—Report of Price Spreads Commission laid before Parliament (301).

Latin America

- Apr. 7—Brazil places State of Para under military rule (304).
Apr. 13—President Cardenas of Mexico denies holding Communist views (305).

The British Empire

- Mar. 28—Rural Mortgages' Final Adjustment Bill passed by New Zealand House of Representatives (310).
Apr. 15—Budget introduced by Chancellor of Exchequer (307).
Apr. 17—Parliamentary Joint Select Commission concludes hearings on Western Australian secession (309).
May 6—Silver Jubilee begins in London (306).

France and Belgium

- Apr. 13—French Colonial Conference ends (311).
Apr. 18—Belgian Parliament adjourns.

Germany

- Apr. 13—Nazi leaders decide to fight German Protestants.
Apr. 18—Provincial Council elections held in the Netherlands (316).

Spain and Italy

- Apr. 14—Spain celebrates fourth anniversary of the Republic (319).
May 3—Spanish Cabinet resigns (318).

Eastern Europe

- Mar. 31—Apr. 6—Elections in Hungary (322).
Apr. 7—Elections in Danzig (320).
Apr. 18—Cabinet crisis in Bulgaria (323).
Apr. 23—Polish Constitution promulgated (321).

Northern Europe

- Apr. 2—Foreign Ministers of Norway, Denmark and Sweden meet at Copenhagen (325).
Apr. 5—M. Kurkauskas succeeds M. Novakas as Governor of Memel (325).
May 3—Foreign Ministers of Latvia, Lithuania and Estonia meet at Kaunas (325).

Soviet Union

- Apr. 9—Trade agreement signed between Soviet Union and Germany (326).
Apr. 10—Air-training ordered for all youths.

The Near and Middle East

- Mar. 23-30—Women's Zionist conference at Tel-Aviv.
Apr. 9—Iraqi Parliament dissolved and general election ordered (330).
Apr. 10—University of Al Azhar in Cairo closed because of student disaffection (329).
Apr. 11—Egyptian Cabinet approves appointment of Sir Geoffrey Corbett as Commercial Adviser (330).
Apr. 18-24—International Woman Suffrage Congress meets at Istanbul (331).
Apr. 22—Ibrashi Pasha, Egyptian dictator, resigns (329).

The Far East

- Apr. 6—Emperor Kang Teh of Manchukuo visits Japan.
Apr. 10—Manchukuoan oil monopoly becomes effective (335).
Apr. 16—American note protests Manchukuoan oil monopoly (336).
Apr. 23—China institutes compulsory military training for students (332).

Europe Fights for Peace

By ALLAN NEVINS

ALL European eyes turned early in April to the little Italian town of Stresa. But before we deal with the objects, procedure and results of the Stresa Conference, we must turn back to one occurrence in March which now proves to have been the subject of no little misrepresentation in the American press. This was Hitler's conversation with Sir John Simon in Berlin on March 25-26, in which he described Germany's policy with much frankness. No official or semi-official statement at that time clearly summarized Hitler's views, and the world was left at the mercy of a vast amount of mere rumor. It now appears that the reports which we quoted last month with a caution against their complete acceptance—the reports that Hitler had spoken of a plebiscite in Austria, a rectification of the Czechoslovak frontier and the return of part of the German colonies, as well as of German equality in armaments—went beyond the facts.

Sir John Simon in a statement to the House of Commons on April 9 described Hitler's position accurately, and it will help to clear the ground if we set it down in exact terms. Hitler did not say anything about a Czechoslovak frontier. Nor did he say anything about an Austrian plebiscite. He asserted instead that he would not reject the idea of a Central European compact designed to protect the independence of Austria; that is, he would not reject it in principle, though, as Sir John Simon added, "he did not see its necessity, and saw great difficulty

in defining non-interference in relation to Austria." By this he meant that it would be hard to deal with German, French and Italian propaganda within Austrian borders, and with the use of foreign funds there.

Hitler's most definite statements had to do with armaments. He told Sir John Simon that Germany would require thirty-six divisions on land, representing a maximum of 550,000 soldiers of all formations. On the sea he thought Germany should have 35 per cent of the British tonnage. In the air the Reich would expect to hold a parity with Great Britain and with France, but no more, provided the Soviet air force did not become too large.

Germany, Hitler added, would forego any type of arms that all the other powers would agree to abandon, and agree to an international control of armaments if only a general system of limitation were devised. He repeated that he would support the Franco-British proposal of an air pact between the Locarno powers. As for the Eastern Locarno, Hitler was of course sternly against it. He declared that while Germany was willing to conclude bilateral non-aggression treaties, she would sign no treaty that embodied the principle of mutual assistance—which he termed "dangerous and objectionable."

This precise statement by Sir John Simon of Hitler's views is important because they prove to have been far more moderate in content, and far less threatening in tone, than the

news dispatches had originally indicated. There was no such crude saber-rattling as many American headlines ascribed to him. For menacing language we must go to Nazi leaders like the loose-tongued Dr. Goebbels, who has been asserting that "he who possesses the might gets the right."

It can be said, of course, that the somewhat exaggerated news reports were for the most part built on facts that were not exaggerated at all. It is well known that Hitler does desire an Austrian plebiscite, and the Nazi press constantly suggests it. It is well known that there is a vigorous party in Germany that wants the return of African colonies, whose sugar and cotton will help make Germany independent. Hitler himself, in the conversations with Sir John Simon, went so far as to refer to a statement of May, 1933, in which he spoke of the return of the colonies. It is well known that a constant German agitation is kept up for the rescue of German inhabitants of Poland and Czechoslovakia. When Sir John told the Commons that there was "a considerable divergence of opinion" between himself and Hitler, the phrase spoke volumes.

It must be emphasized, nevertheless, that Hitler in his statements of March 25-26 made no claims that cannot be discussed coolly and reasonably. A maximum land force of 550,000 men is, in view of Russia's force of 960,000, not preposterous. Hitler gave his word that there would be no paramilitary formations beyond this. Nor is a naval force of about 35 per cent of British tonnage beyond the limits of reasonable defense. What makes other nations nervous is of course Germany's air force. With German industrial equipment and the resourcefulness of a regimented nation of 65,000,000, it might quickly become a

tremendous menace to civilization. But Hitler at least professes pacific intentions, and nothing has yet occurred to ruin the hope of re-establishing confidence, a sense of security and a love of peace in Europe. The road to such re-establishment lies through conference and discussion.

Stresa will never figure as a milestone on that road. The objects of the three-power conference held there were far from ambitious. They were, in fact, purely temporary objects, and no effort was made to grapple with the great fundamental problem now facing Europe, a problem that can be approached only after much exploration and deliberation. It is fairly accurate to say that the talks at Stresa were designed simply to warn Germany against hasty further action, and to calm the nerves of the rest of Europe. The primary objective of the conference was thus merely to show the German Government that the three former Allies—Great Britain, France and Italy—are still united to resist any overt threat to the peace of Europe.

Stanley Baldwin emphasized this objective in vigorous language just before the meeting began—language meant for the Germans who hoped to detach England from France. "Great Britain does not want war," he said, "and does not mean to have war, but if war can only be stopped by letting the aggressor know that war will not be permitted in Europe, this country will play her part." Few can have doubted the solid front of the three nations, but as a gesture of reassurance the conference was unquestionably useful.

A secondary objective at Stresa was to prepare the way for bringing the French complaint against German repudiation of the Versailles treaty before the League Council. Beyond this,

the grave problems posed by the total breakdown of the Disarmament Conference, and by Germany's momentous announcement on March 16 of her immediate rearmament, were postponed for future consideration.

The deliberations at Stresa lasted from April 11 to April 14. It is no great boast to say that the limited and evanescent objectives were successfully achieved. Amid elaborate police precautions—the Marseilles murders have taught Europe an impressive lesson—Prime Minister MacDonald, Sir John Simon, Premier Mussolini, Premier Flandin and Foreign Minister Laval conversed in a lovely setting of mountain and lake. On the last day of the gathering the world received without excitement a communiqué which summed up the principal decisions, decisions that had been expected from the beginning.

① Great Britain and Italy solemnly reaffirmed their obligations as guarantors of the Locarno treaty. ② All three nations asserted their unity “in opposing by all practicable means the unilateral repudiation of treaties which may endanger the peace of Europe.” ③ The three powers also announced that they agreed upon the desirability of continuing negotiations for an Eastern Locarno, ④ upon the desirability of consulting together instantly if any threat to Austrian independence appeared, and upon a common line of action to be followed at Geneva in protesting against Germany's violation of the treaty. While the conference was still going on Mussolini announced his own pet project, a Danubian conference to be held in Rome on May 21.

The reaffirmation of Locarno, which may be counted the paramount result of the Stresa conference, has perhaps a greater significance than appears on the surface. It is important enough to

demonstrate that the alignment for peace of the three great fully armed powers of Western Europe is still unbroken. But that is not all. One of the most important sections of the Locarno treaty, which Germany signed, provides that the demilitarized zone along the German Rhine shall be maintained. In fact, it was Germany herself that, in the negotiations preceding Locarno, proposed that this zone should be internationally guaranteed. Now, of course, Hitler is anxious to fortify his Rhine border, and thus protect the greatest industrial district of Germany. But so long as the Locarno treaty is maintained intact he cannot do so.

The remainder of the work at Stresa amounted to little. The protest against a “unilateral repudiation of treaties,” for example, falls upon deaf ears in Germany, where it is maintained that the French and Italian failure to disarm constituted the first real breach of Versailles. And when it comes to treaty repudiation, there are too many glass houses around to make stone-throwing comfortable. The French Chamber, for example, several years ago gave the Mellon-Bérenger agreement a unilateral repudiation of the most high-handed sort.

Immediately after Stresa came the special meeting of the League Council on April 15. It had been summoned to hear the French indictment of the Reich. Fortunately for France, both Great Britain and Italy had agreed to support her. As we predicted last month, the French protest was regarded by various members of the Council with ill-concealed hostility. Technically, a good case can be made out for it. But some member States objected to seeing the League condemn Germany in a controversy the equities of which are by no means clear-cut. Others objected to a step

that could not but drive the Reich into a deeper hostility to the League. The action demanded by the French was taken reluctantly, with many misgivings and, even after the exertion of great pressure, without real unanimity.

Twice on April 15-16 the first public meeting of the Council had to be postponed. Efforts were being made behind the scenes to modify the terms of the French resolution censuring Germany, but they failed; and when the open meeting finally took place on the evening of April 16, it was presented in the form in which it came from Stresa. Condemning unilateral repudiation, it declared that Germany, by her re-armament, "has failed in the duty which lies on all the members of the international community" to respect their contractual obligations. The Polish delegate criticized the resolution caustically; Señor de Madriaraga of Spain showed unmistakable dislike for it. Other nations were displeased, but fell into line under the vigorous efforts of Britain and France. On April 17 it passed, with Denmark refusing to vote, and Poland surprising every one by acquiescing at the last moment. It cannot be said that it represented a moral victory for France.

The result on April 18-19 was an explosion of wrath in Germany. The press denounced in angry terms the arrogance of the Council in setting itself up as a judge of Germany, and declared that a return to Geneva had been made impossible. In this position it had the sympathy of Scandinavia, the Norwegian Foreign Minister saying that if his country had been on the Council it would have opposed the resolution. Ramsay MacDonald, on the day of the censure, speaking in the House of Commons, appealed to the German people to be reasonable and

to "make an adequate contribution to building up mutual trust and confidence."

Hitler's response on April 20, his forty-sixth birthday, was a brusque and defiant retort. In a note of less than a hundred words, sent to all the nations which participated in the Council's action, he condemned the attempt to pass judgment on his nation. He declared that the German Government rejected the resolution "in the most resolute manner," and that it would later make known its position on the questions debated at the Geneva meeting.

While the public discussions were being held at Stresa and Geneva, and while Flandin, MacDonald and Hitler were expressing themselves at home with little reserve, a vigorous private discussion was emerging upon the question of Austrian rearmament. This issue has some significant international implications. The Schuschnigg government naturally takes the position that if Germany has an army of 550,000, Austrian safety demands more than the 28,000 soldiers to which the Treaty of St. Germain and subsequent arrangements entitle her. But the Little Entente necessarily has some misgivings.

If Austria is permitted to arm heavily, then what about Hungary and Bulgaria? They have just as good a claim to rearmament as Germany and Austria. It would be impossible to deny Budapest and Sofia a right that was granted to Vienna. As a matter of fact, Hungary has been secretly rearming for years—chiefly with war material obtained from Italy in the days when Italy and Yugoslavia were at odds—and is even credited with a system of secret conscription. No one really believes that Austria, Hungary and Bulgaria can be kept much longer at the level of disarmament fixed by

the peace treaties, and the sooner rational concessions are made to all three, the less danger there will be of unpleasant episodes. This question was expected to receive careful consideration at the Danubian conference which Mussolini has arranged to take place in Rome on May 21.

Although the Stresa conference went on record as favoring an Eastern Locarno, it had become evident before the meeting adjourned that little hope now exists for such a compact. The Polish Government is as resolutely opposed as ever. General Pilsudski, Foreign Minister Beck and the Polish people seem agreed that an Eastern Locarno would have just one certain result—it would make Poland an arena for contending foreign armies in the next European war. Germany, as we have said, is equally opposed. The Reich issued a long statement on the suggested Eastern pact on April 13, the gist of which was the familiar assertion that Germany would sign non-aggression treaties in the East, but would not sign any treaty for mutual assistance. As a matter of fact Germany is already pledged to non-aggression, conciliation and arbitration in her relations with Poland and Czechoslovakia by annexes D and E of the existing Locarno treaty. When she talks of non-aggression compacts she is not going much beyond the point to which she went years ago. But with one nation she will not even sign a non-aggression pact—with Lithuania, whose seizure of Memel is regarded as an outrage by all Germans, and in recent weeks has been made the subject of vigorous remonstrances even by Great Britain, France and Italy.

The collapse of French hopes of an Eastern Locarno was virtually admitted when at the end of April, M. Laval and Vladimir Potemkin, the Soviet

Ambassador, agreed upon the terms of a Franco-Soviet pact of mutual assistance which on May 2 was duly signed.

When the text was made public the next day, its scope was found to be not quite so broad as originally intended. Its terms, moreover, were formulated entirely within the framework of the League covenant. The treaty makes the following provisions in its five articles: (1) Consultation in the event of danger of aggression; (2) immediate aid in the event of "unprovoked aggression"; (3) "aid and assistance" in case of unprovoked aggression by a nation that thereby breaks its pledges under the League covenant; (4) limitation of the treaty to prevent its being interpreted as restricting the duties of the League or the obligations of League members; (5) operation of the treaty for five years and, if not denounced one year before the end of that period, its indefinite continuance.

The essence of the treaty, however, lies in the accompanying protocol of signature, in which it is declared that "it is also understood that undertakings in this treaty refer only to cases of aggression against either of the contracting parties' own territory." At the same time France protects her international guarantee in the Locarno agreements by the stipulation that the treaty "shall not be carried out in any way which, being inconsistent with treaty obligations undertaken by the contracting parties, might expose the latter to sanctions of an international character."

Another important aspect of the treaty is that the way is left open for the inclusion of Germany. After recalling that the treaty is a result of negotiations begun for the conclusion of a security agreement among the countries of Northeastern Europe and

of a treaty of assistance between the Soviet Union, France and Germany, the protocol continues: "Although circumstances have not hitherto permitted the conclusion of these agreements, which the two parties still look upon as desirable, the fact remains that the undertakings set forth in the Franco-Soviet treaty of assistance are to be understood to come into play only within the limits contemplated in the tripartite agreement [between the Soviet Union, France and Germany] previously projected."

Since the Eastern Locarno scheme has broken down, France is in effect attempting to provide a new security system in its stead based upon certain articles of the League and upon Litvinov's famous definition of aggression. But even in Paris this is not regarded as a very satisfactory substitute.

As the alarms, the outcries and the panicky fears of March somewhat subsided, Europe was left marking time—and lustily rearming. Every day added its quota to the news of fresh preparations for war. The French "war babies," the 120,000 recruits born during the great conflict, joined the colors for their eighteen months' term. Germany began the assembling of twelve new submarines for which parts were ordered six months ago. Great Britain announced on May 1 that she would build up her air forces to full equality with those of Germany and would spend \$25,000,000 for the purpose this year in addition to the \$105,000,000 already provided in the air estimates. Mussolini called upon the Italian people to realize that days of grim effort lay just ahead. All this is depressing enough. It is a challenge to Europe to follow some better course than mere drift—to make earnest and if necessary self-sacrificing efforts to bring Germany, which has

not yet wholly closed the door, into a true "collective system."

ABYSSINIA AGAIN

While most other parts of the world were quiet enough during April, two areas of tension came into the news. One of the questions considered by the League Council at its private meeting on April 15 was that of Abyssinia. The government at Addis-Ababa had requested that its appeal against Italy be put on the agenda for immediate action. The Council unanimously refused on the ground that it had been given to understand that Italy would submit the pending dispute to arbitration under the terms of the Italo-Abyssinian treaty of 1928. But there is still great uncertainty as to the explicitness and sincerity of the Italian assurances. No one knows exactly when Italy will agree with Abyssinia upon a panel of arbitrators—if ever. Though the Abyssinian representative asked that a date be fixed for such action, the Council refused. Nor did the Council consent to ask Italy to stop her heavy troop movements to Eritrea.

The consequence of these refusals at Geneva is that Italy is left free to postpone the appointment of arbitrators as long as she likes, meanwhile pouring troops and war materials into her ports on the Red Sea. There is grave danger in this. The Abyssinian Government has carefully abstained from massing troops on its borders, the tribesmen are hard to control, small incidents have already occurred, and there are undoubtedly Italian colonial officials who would like an excuse for drastic action.

THE CHACO WAR

The bloody Chaco War drags its slow length along. As April closed, fighting continued along a front of

120 miles. Bolivia, rallying from her recent defeats, was trying desperately to advance, and dispatches spoke of 70,000 men engaged in a ten-day battle. The effort of the League to stop the war by a general embargo on arms shipments has broken down for two reasons: Paraguayans and Bolivians would fight murderously if they had nothing but clubs in their hands; some nations refuse to join the embargo. Uruguay on April 29 sent a note to the League flatly declining to enforce the stoppage of arms shipments to Paraguay as recently recommended by the League's Chaco Advisory Commission. She, like Argentina, would prefer a Paraguayan victory.

Yet, as May began, hopes for peace in the Chaco revived again. The advance by Bolivia was of good omen. When that nation seemed reeling into the ropes for the count of ten, Paraguay was naturally unwilling to stop hostilities, but now that Bolivia has proved that she still can fight, Paraguay may be willing to listen to reason. And a group of American

powers is ready to exert itself once more. Brazil announced on May 1 her willingness to join four other nations—the United States, Argentina, Peru and Chile—in a conference not merely to stop the war but to remove some of its economic causes. One of the roots of the conflict, obviously, lies in the landlocked position of Bolivia, which is eager to reach navigable waters. If the conference can be arranged, and if the two antagonists can be induced to agree to an armistice, one of the most senseless conflicts in all modern history may be terminated.

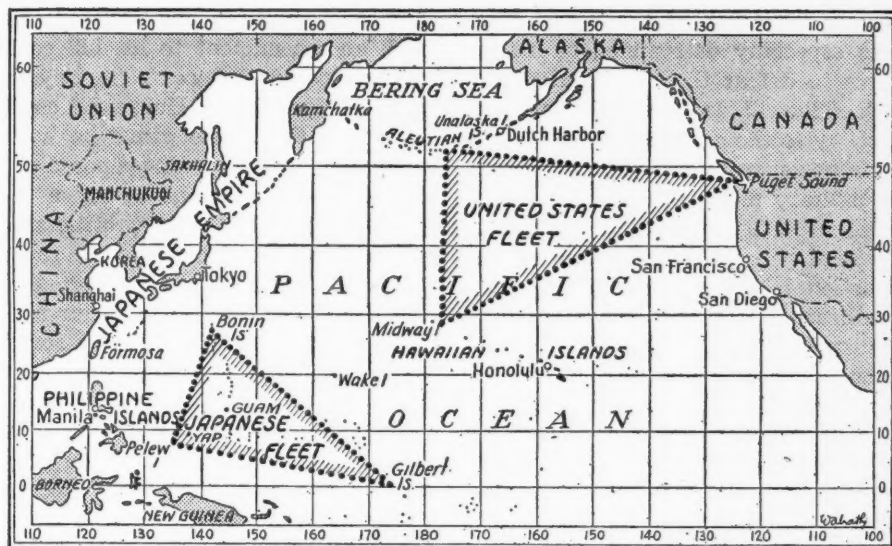
Meanwhile, in a harassed, depressed and disquieted world, there is at least one fact in international relations to provoke grateful reflections. Nobody is discussing the Anglo-American-Japanese naval question. All admirals under the sun-flag and the starry banner alike are preserving a golden silence. Even the spokesman for the Japanese Foreign Office, who holds all non-German records for indiscreet utterances, is managing to keep quiet.

America Debates War Plans

By CHARLES A. BEARD

CONSIDERED in the light of tragic experience and contemporary distempers, the most fateful recent events in America have turned upon the old conflict between the civilian interest and the military interest. This flared out into the open during February and March and continued during April. As the tensions in Europe and the Orient increased, awakening lively memories of 1917, the attention of Congress and

the country was directed more sharply to the rôle of arms in domestic and foreign relations. Even when President Roosevelt approved the huge Army Appropriation Bill, he reflected the underlying dissension by explaining ingeniously that the increase in the army was in substance no increase at all. Although he put aside the protests of religious bodies against naval manoeuvres now in course in the far



THE AMERICAN AND JAPANESE FLEET MANOEUVRES

The areas in the North Pacific in which the American and Japanese Fleets are conducting their manoeuvres this year, as shown on this map, are at least 2,000 miles apart. The Japanese Fleet will not begin its manoeuvres until after those of the American Fleet are concluded.

Pacific, he made a gesture to neighborly intentions by allowing the assignment of the flagship Augusta of the United States Asiatic Fleet, under Admiral Upham, to the duty of making a "good-will visit" to Japanese waters.

That opposition to the militarization of the American nation is to be expected in Congress and not in the executive department was forcibly confirmed by the action of the House of Representatives on the McSwain War Profits Bill early in April. This measure, as it came from the Military Affairs Committee, had undoubtedly the sanction and eager support of the War Department. Its title was to some extent a misnomer. It was designed in part to limit profits in war-supply industries, but the provision which engaged the real concern of the War Department was the section authorizing a sweeping conscription of men for "the next war." Its attack on the

profit system in munitions was mild; its conscription features were positive and drastic.

When the McSwain Bill came out on the floor of the House early in April it was greeted by a storm of hostility to war and all its works that surprised and bewildered the sponsors. Amid great excitement emasculating amendments were offered and carried. With a violence of emotion seldom displayed in Congress, speech after speech was delivered against the letter and spirit of the bill. "Eighteen years ago," exclaimed Representative Rankin of Mississippi, "we took that terrible plunge. It burdened us with taxation that will take 100 years to pay. Let us tax the profits out of the last war and we won't have any next war. This bill would exempt 99 per cent of you. If you are too old to fight, you are too old to vote to send anybody to fight for you."

Representative Maury Maverick of

Texas, a veteran of the World War, was especially determined in his resolve to defeat the conscription section of the bill. In addition, he brought forcibly to the attention of the House an issue generally neglected in debates on military preparedness, namely, the vital necessity of relating arms to national policy. To bring this crucial question to a focus, he introduced a resolution defining a policy of neutrality for the United States. Bent upon keeping some liberty for the press even in wartime, Mr. Maverick also proposed to limit the licensing provisions of the McSwain Bill. When he was defeated in this manoeuvre, Representative Citron of Connecticut took up the proposition and induced the House to exempt newspapers, books and periodicals from control by licensing authorities.

Fire was concentrated particularly on conscription and war profits. Unable at first to defeat the conscription feature of the bill, opponents managed to raise the age limit from 21-31 to 21-45, and to add a proviso to the effect that drafted men could not be used on foreign soil except to prevent or repel an actual invasion of the United States. They then drove through an amendment authorizing the conscription of men "responsible for the management of industry, commerce, transportation and communications." After thus providing for the conscription of management, the intransigents carried another amendment stipulating that conscripted service men must be paid "prevailing unskilled wages." The opposition in the House then turned fiercely on the mild clauses of the bill pertaining to profits. They demanded nothing less than the complete and unconditional outlawing of war profits. This was another body blow. For three days Chairman McSwain of the Military

Affairs Committee had insisted that such an amendment to his bill could not be offered. But, confronted by implacable foes in the House, he capitulated. With all the grace he could command, he accepted, proposed and carried an amendment to lay a 100 per cent tax on excess profits, thus opening the way for the Senate to act on a revenue measure originated by the House. To prevent an utter rout, the leaders of the House then forced an adjournment to realign their shattered forces.

Instead of gathering strength in the interim, the sponsors of the original "zations and public services" deemed battle was renewed on April 9. Under the direction of Representative Goldsborough of Maryland the House carried a motion to recommit the bill to the Military Affairs Committee with instructions to strike out the conscription section entirely. In a wholesale bolt 156 Democrats joined 39 Republicans, 7 Progressives and 3 Farmer-Laborites on the motion to recommit, against 130 Democrats and 53 Republicans. Almost immediately Chairman McSwain announced that his committee, having received the amended measure with instructions, was reporting it back without the conscription section. Amended beyond recognition the bill was then carried and sent to the Senate.

As finally passed by the House the bill authorized the President to "freeze" prices on the declaration of war, close stock and commodity exchanges, license all manufacturers, dealers and public services, except publishers of newspapers, periodicals and magazines, and "commandeer," not "conscript," the "material and financial resources, industrial organization and public services" deemed necessary to the prosecution of war. In respect to war profits the bill pro-

vided "that upon the declaration of war there shall be imposed a tax of 100 per cent of all excess war profits that may be earned during the said period of war as defined in this act." Twisted, battered and slashed, the bill bearing the name of Chairman McSwain was turned over to the Senate, where Senator Nye's Munitions Committee was lying in wait.

From the chambers of Congress the issue joined on the McSwain Bill was carried to the country. In a formal statement Bernard M. Baruch amended his testimony before the Nye Munitions Committee, which had been more friendly than expected. In his revised document he declared that his testimony had not been correctly recorded in all particulars, and that it was necessary for him to present a revised version. Freed from the trammels of the committee room, Mr. Baruch made it perfectly clear that he was firmly opposed to the drastic taxing provisions which the Nye committee had under consideration. They would, he said in effect, so reduce profits on munitions as to dampen the incentive of capitalists and managers, curtail supply and incur the risk of losing the war. Springing to the support of Mr. Baruch, General Hugh Johnson, who had branched out as a syndicate writer, rang the changes on the same theme, and accused Senator Nye and his supporters of caring more for "communism" than for winning the next war.

To this attack vigorous replies were made, especially by Senators Nye and Vandenberg. The burden of their counter-argument may be summarized in the following form: "If the United States can rely upon the sacrifice of young men on the field of battle, but must cater to the greed of capitalists in order to get munitions, it is high time that the country recognizes the

situation, distinguishes between patriotism and pelf, and adopts appropriate measures."

Encouraged by the turn in debate over war and munitions, the Nye committee announced that it was ready to proceed with an examination of the financing of the Entente powers during the World War, to which references had already been made. Its agents approached New York banking houses in connection with preliminary inquiries. Almost immediately the interest of the British Government was enlisted, either on its own account or as a result of suggestions from other quarters. In behalf of that government it was suggested by Stanley Baldwin that such an inquest as the Nye committee proposed might be embarrassing in view of the delicate situation in Europe. The British and French Ambassadors in Washington called on the State Department to make representations relative to the delicacy and embarrassment. President Roosevelt summoned members of the Nye committee to the White House for a conference on the subject. Out of the conference came no official report, but newspaper correspondents gathered the impression that brakes would be applied to the Nye committee's suggested procedure. Thus the future became uncertain. But the victory of the Nye committee over the President in connection with his effort to sidetrack it by appointing the Baruch-Johnson committee on war profits guaranteed no triumph for the Executive in respect of the inquiry into war financing. Moreover, the half-concealed resentment of some members of the Nye committee at repeated interference with the development of its civilian program implied that this new intervention from the White House might not have the expected results.

Yet on the other side of the ledger could be set hard facts more eloquent than civilian speeches on peace. On April 26 the directorate in the House of Representatives, preceded by the steam roller, drove through the naval appropriation bill carrying a charge of \$457,805,261 on the Treasury. Every effort to reduce it was blocked by a mass formation of Democrats and Republicans united in a solid bloc against a handful of critics. Even the cut in the budget allotment for new buildings made by the appropriations subcommittee was accompanied by the promise that more money, if needed, would be provided by a deficiency bill.

Not less pointed was the apparently inadvertent publication of declarations made by army officers before the Military Affairs Committee of the House, in connection with a pending air bill, to the effect that "camouflaged" air bases near the Canadian border were contemplated by the measure and that preparations must be made to seize, in case of necessity, outlying bases in the Caribbean to prevent their use in operations against the United States. It is true that President Roosevelt in a letter of April 29 to Chairman McSwain sharply criticized the publication of these military designs, declared that they did not represent the purposes of the United States Government, reassured Canada and asserted the peaceful intentions of his administration. It is true that Representative Maverick declared that five admirals should be court-martialed, that all admirals and generals "should keep their mouths shut" about foreign relations and that issues of policy should be left to the President and the State Department. But such diversions left the public in the dark about the major issue: What will be done by the War and Navy Departments in the devel-

opment of their ambitious air programs?

THE WORK OF CONGRESS

Amid the alarms of preparedness for coming wars, Congress and the President continued to wrestle with other fragments of their visible program. On April 8 President Roosevelt signed the Work Relief Bill which had passed both houses of Congress three days previously. In its final form the joint resolution did not differ essentially from the original measure as amended by the Senate, although in the conference committee it was stripped of the Thomas silver rider, and a proviso was added to the effect that 25 per cent of the amount allocated to loans and grants for non-Federal projects must be used for labor, "within the determination of the President." This direct-work proviso, it was explained by Senator Glass, would prevent the use of Federal funds for the purchase of power plants and other going establishments. Thus, after the lapse of seventy-five days, President Roosevelt received all the money he had demanded, subject to many limitations. Thereupon he took immediate steps to provide for the quickest possible distribution of the largest single appropriation ever made by Congress.

In setting up the new machine, President Roosevelt placed most of the responsibilities on existing departments and agencies. General direction he retained in his own hands, thus scotching the movement which had been started in Congress against Harry L. Hopkins, head of FERA, and Secretary Ickes, who had not been tender to local politicians. Three additional bureaus were created to take charge of special functions. To one, under Rexford G. Tugwell, was entrusted work in rural rehabilitation—

the transfer of farming families from marginal lands and assistance in establishing independent homesteads. In the Bureau of Public Roads was erected a special agency to supervise the elimination of grade crossings. A third agency was placed in charge of rural electrification—a work full of political dynamite. The remaining activities connected with expenditures were allocated to numerous departments and independent establishments, named in the Presidential announcement on April 24.

Frank C. Walker was given responsibility for sifting the thousands of petitions for allotments that poured into Washington. A Works Allotment Division, composed of Cabinet officers and division chiefs, was set up to review and pass upon applications for funds, and make preliminary decisions for the President's approval. A step, characterized as "final," was taken on April 26, when the President announced the creation of the "Work Progress Division," and designated Harry L. Hopkins as administrator. In this connection it was explained that Mr. Hopkins would act as the President's "eyes and ears" in watching the progress of all efforts to provide employment, supervise the employment of the jobless and control the purchase of supplies. With Mr. Walker, Mr. Tugwell, Mr. Hopkins and Secretary Ickes there were associated, as a kind of war council for relief, Secretary Morgenthau, Joseph P. Kennedy of SEC, Rear Admiral C. J. Peoples, chief of procurement for the works program, and Charles West, "contact man" between the President and Congress.

With the Work Relief Bill out of the way, the House of Representatives gave attention to the measure providing for old-age pensions and insurance against unemployment, generally

called "the President's social-security program." Beating off advocates of more radical schemes, including supporters of the Townsend plan and the Lundeen project, leaders of the House were able to drive the Social Security Bill through on April 19. One part of the measure provides immediate grants from the Federal Treasury to the States for old-age pensions to be paid beneficiaries who have reached the age of 65. This Federal subsidy will match State contributions up to the amount of \$15 per person per month. In this fashion, it was expected, material assistance would be given to the large number of States which already have old-age pensions in some form, and the remainder of the States would be brought into line to curtail local poor relief, if for no other motive.

A second part of the social-security measure contemplates the establishment of old-age annuities, applicable to those who reach the age of 65 by the year 1942. Money for these annuities will be derived from contributions by employes and employers, and take the place of direct pensions. From such benefits are excluded, however, agricultural and casual laborers, domestic servants and certain other classes of employes. In no case will annuities exceed \$85 a month.

These pension provisions are crowned by an unemployment benefit plan, involving Federal and State co-operation. Beginning in 1936, a Federal tax will be laid on payrolls to provide reserves against unemployment. If a State adopts an Unemployment Benefit Act, then a large rebate will be allowed to it from the Federal tax. Thus, it was contemplated by the sponsors of the bill, States will be compelled to take action and yet be free to make such local variations as may seem appropriate. Embodying

these principles the Social Security Bill was transmitted to the Senate.

By the early days of May no material additions to, or amendments of, the recovery program had been enacted into law. The fate of NIRA remained undetermined. The bill extending and amending it was the subject of hearings before the Senate committee in charge. In the main the discussion, which was often more heated than edifying, revolved around the old question of a free-market economy versus a controlled-market economy. The set-up and performances of the real market outside the Senate committee room demonstrated the academic character of both positions, and the debate smelled of the cloister.

From elaborate statistical tables prepared by the Brookings Institution it was argued that NRA had retarded recovery and that the codes should be abolished. In this way, it seemed to be imagined, adjustments in the price system would operate to bring about the equilibrium so eagerly hunted by economists but never found in satisfactory form. On the other side, General Hugh Johnson argued that NRA had provided additional employment, raised real wages and increased the operations of the nation's productive mechanism. Deeply stirred by the Brookings report, General Johnson savagely attacked the Institution and its directorate in his syndicated articles.

After the storm subsided, the Senators in charge of the bill appeared to be bewildered. Some of them proposed to escape the dilemma by extending the old NIRA until March, 1936, thus allowing more time for "study." This suggestion was countered by objections from President Roosevelt, but on May 1 the Senate committee reported in favor of a ten months' ex-

tension in amended form. Additional complications arose from the resolve of the Department of Justice to bring the constitutionality of NIRA before the Supreme Court at once in the case of the Schechter Poultry Company and others. If the court should decide against the validity of the act some time before June, Congress, it was contended, would scarcely have time to repair the ruin with a brand-new statute. To this point had the long struggle over concentration in industry been brought by the late Spring of 1935. The authors of the Sherman Anti-Trust Act of 1890 must have turned over in their graves.

All other features of the Congressional program were tossed about on the waves of debate: Ship subsidies, abolition of unnecessary holding companies, banking as a part of planned economy, combined regulation of all transportation facilities, railway labor, the Wagner labor relations program ardently backed by the American Federation of Labor, pure food control, the Black-Connery thirty-hour week project, the Guffey proposal to make bituminous coal a public utility, and the Anti-Lynching Bill, which was killed by filibuster on May 1. Defeated in its efforts to effect a nationwide organization of labor under Section 7a of NIRA, the American Federation of Labor sought to engage government aid in breaking the grip of company unions and in forcing the independent organization of industrial workers. This concentration on legislative action was, perhaps, the most important development in labor policy, with a positive bearing on great labor strategy. From the White House, however, came no open assistance. On the President's part official endorsement was given to four principal measures—those touching ship subsidies, banking, holding companies

and unified transportation control. Yet, as Spring waned, Congress seemed no nearer positive decisions than in January.

In the sphere of administration two important steps were taken. On April 14 the Treasury called in the last remaining Fourth Liberty bonds and a week later all First Liberty bonds, offering cash or paper bearing a lower rate of interest. At the time Secretary Morgenthau announced that the average rate of interest on government securities was 2.86 per cent and that only \$8,500,000,000 in outstanding bonds and notes contained the gold clause. The second financial stroke concerned silver. By Presidential proclamations, on April 10 and April 24, the price of silver was raised—on the latter date to 77.5757 cents an ounce. Interpreted to mean an aggressive program of silver accumulation, this action caused a boom in the silver market and still sharper dislocations in the currencies of other countries, especially Mexico and China. Beyond adding to the profits of silver-mine owners and speculators, it was accompanied by no marked changes in the economic conditions of the United States.

AMERICAN BUSINESS

In operating economy, apart from politics, no noteworthy alterations were recorded in the indices of business. With monotonous regularity the black line on the graph showing major economic activities crawled forward on the low level to which the country has long been accustomed. According to reports by the National Industrial Conference Board, annual production was still from \$30,000,000,000 to \$50,000,000,000 below the peak of the boom days. Prime stocks were strong in the market but not spectacular. The number on public relief did

not diminish with startling rapidity, and expectations of "the Spring rise" did not materialize. Railways showed, in the main, lower net earnings. Two or three strategic companies moved steadily forward into the shadows of bankruptcy or reorganization. Notwithstanding the allowance of certain emergency increases in rates, railway managers found little improvement in the outlook. Their spokesmen sought to stave off the proposed Senate inquiry into railway finances, and to expedite the bill regulating competing forms of transportation. The chief basis for hope was that on May 6 the Supreme Court handed down an adverse opinion on the Railway Pension law, thereby reducing the railways' burdens.

Meanwhile the RFC found itself owning or controlling an increasing number of business enterprises, including public utility plants, national banks, a real estate mortgage company, a railroad, 4,000,000 bales of cotton, machine shops, wineries and distilleries. Into its crowded ante-chambers pressed railroad presidents, bankers, financiers and other captains of high enterprise seeking relief from grave difficulties. About all that could be said for American economy was that it was apparently in better shape than in the Spring of 1933 and evidently far from normalcy. Yet, apart from disturbances in the rubber and automobile industries, there were no strikes of large proportions or indications of profound unrest among the employed or the unemployed. A daze of watchful waiting, akin to the murk of Western dust-storms, settled over the public mind. A few galvanic twitches here and there relaxed no major tensions.

Nevertheless, prognosticators felt warranted in announcing the first tremors of an upward surge. Interest

on call loans and prime short-term paper fell sharply in the direction of zero. Banks were bursting with deposits. Hence it was argued that, since people with money could get no profits from fixed investments, they would soon begin to spend it on commodities or ventures of risk. The March returns from the Federal income tax were considerably in excess of conservative calculations.

In a statement made public on April 28, the National Association of Manufacturers announced the approach of prosperity if Congress would end "uncertainties" and drop from its legislative program nearly all pending proposals. Watchers with sensitive ears could catch from afar the notes of the old song of 1928: "Let us alone and we will assure prosperity."

On behalf of the administration it was triumphantly announced that the budget was balanced, except for the \$4,000,000,000 to be spent on work-relief. And reporters having access to the White House stated with an air of authority that President Roosevelt was "amused" rather than disconcerted by allegations to the effect that his prestige was declining, and continued to look forward with confidence to re-election in 1936. He was said to be undisturbed by the deadlock in Congress and by the economic outcomes of the New Deal. Faltering followers he sought to reassure by another fireside chat over the radio on Sunday, April 28. His immediate concern, he said, was carrying out the big relief program, putting men to work. Unemployment insurance legislation pending in Congress will cushion the shock of economic distress. The life of NIRA must be extended, unnecessary holding companies eliminated, all systems of transportation brought under common regulation,

and the banking acts amended. Never since his inauguration, the President declared, had he felt "so unmistakably the atmosphere of recovery."

POLITICAL STIRRINGS

In preparation for the gathering storm of 1936, Republicans and other dissidents took stock and milled around. Henry P. Fletcher, chairman of the Republican National Committee, brought to the Washington headquarters John Hamilton of Kansas, long mentioned as the dark horse of the renaissance. Coupled with this action were preparations for regional conferences among party leaders with a view to bringing fresh talents into the organization. Making bids both ways, Mr. Fletcher characterized his party as "progressive because it has been conservative," and set it over against the Democrats whom he marked up or down as "radicals." Yet the vote of Republican members of Congress on various administration measures did not run along partisan lines. At no time did it indicate a concentration of forces or the existence of any clear-cut opposition program.

To take up this slack in strategy, Western Republicans, under the direction of Governor Landon of Kansas, called a convention of representatives from several States to meet on April 27 and draft "a declaration of principles for the liberalization of the party." From both sides, from Hamilton Fish and from William Allen White, came whole-hearted endorsement. With great expectation the new creed was awaited. Agreement was reached on two points—one of the briefest programs in political history: Fight Roosevelt and call a national Republican conference in June. Meanwhile the Republicans of New England, the seat of militant textile in-

terests, conferred and prepared for a campaign against the New Deal; and critics of the administration opened fire on May 1, at the convention of the United States Chamber of Commerce, threatening to break "the truce" patched up after the election of 1934.

In Left-Wing quarters there were movements against the regular Democratic front. In Detroit, on April 24, Father Coughlin held a monster mass meeting for the purpose of launching, not a third party, but an organization of groups in the forty-eight States dedicated to "social justice" and to driving out of political life men who had promised to redress wrongs and then practised the philosophy of plutocracy. Among the speakers listed were Democratic and Republican members of Congress, representatives of labor and farm organizations and agents of the cotton interests bent on breaking down AAA. Slogans, plans and arguments drawn from the old Populist armory were freely used, but nothing very concrete issued from the great demonstration of oratory. Neither the Roosevelt administration nor the Republican directorate could draw much pleasure from the jubilee. Still, with the priest quoting Scriptures and Senator Elmer Thomas purveying free silver as the cure, hard-headed political observers generally came to the judgment that the old-line party machines had little to fear from an organization for justice and good fellowship under clerical direction.

Far more disturbing to dispensers of loaves and fishes was another convention assembled at Des Moines late in April which drew together branches and splinters of the Left Wing, from Huey Long to Milo Reno. The ghost of Jerry Simpson has a way of coming back, but this time new concep-

tions of political economy accompanied his reappearance.

THE AMERICAN BACKGROUND

Among private interests and government officials lively disputes simmered and boiled. Secretary Wallace clashed with the New England textile manufacturers over the processing tax on cotton, and the subject of Japanese competition was brought out on the carpet. Louisiana and Georgia, seats of opposition to the New Deal, were threatened with loss of Federal relief money and aids from PWA. In Arkansas landlords and share croppers carried on their contests without any evident approach to settlement.

On the Pacific Coast the California Medical Association repudiated the American Medical Association's injunction and went on record in favor of State health insurance—more "socialism"; while a representative in the Legislature from Pasadena, the Athens of the West, sponsored a bill making it a felony to possess or transport "revolutionary literature." The Illinois Senate voted to investigate "sedition" in institutions of learning. The trustees of the Connecticut State College made military drill compulsory and forbade students and professors to discuss the subject publicly on the campus.

Utility interests emitted protests against the Roosevelt holding-company bill. Coal interests turned publicity loose on the Guffey coal bill. Bonus advocates and opponents tried to reach some compromise, but finally on May 7 the advocates had their way when the Senate passed the Patman Bill for immediate payment of the bonus with \$2,201,000,000 in currency.

PHILIPPINE REVOLT

The most serious uprising in fifteen years broke out in five Philippine

provinces on May 3 when rebellious Sakdalistas, members of an extremist party opposed to the Quezon-Osmeña coalition and the new Philippine Constitution, attempted to cut off Manila and other principal cities and set up a régime of their own. Sixty persons were killed and about 100 wounded as constabulary troops met and defeated the rebels, and within a few days 250 persons, including two members of the insular Legislature, had been arrested as a result of the bloody outbreak.

The revolt was timed to take place during the absence from Manila of Governor-General Murphy, Manuel Quezon, president of the Senate; Major-General Parker, Commandant of the United States forces; Secretary of the Interior Sison, and other leaders. The situation, however, was dealt

with by Vice-Governor J. R. Hayden. The revolt was intended to insure the defeat of the new Constitution in the plebiscite scheduled for May 14. The Sakdalistas hoped to procure immediate Philippine independence rather than the ten-year transition period now contemplated, and, while not officially communistic, promised a more socialistic government than would be afforded under present leadership.

Benigno Ramos, Sakdalista leader, was in Tokyo at the time of the outbreak, seeking, so he said, the "moral support" of influential Japanese. The latter flatly declared, however, that he had no contacts with the Tokyo government. Insular officials were at the time of this writing discussing the feasibility of asking Japan to extradite Ramos.

Political Manoeuvres in Canada

By J. BARTLET BREBNER

IN the absence of the chief actor, Prime Minister Bennett, his Conservative supporting cast in the Canadian Parliament has been unable to dramatize effectively the program of social reform that he and they hoped would insure victory in the coming general election. The convalescent Mr. Bennett appeared at a reception on April 16 before his departure to the Royal Jubilee, but no one was prepared to say definitely that his health would permit him either to dominate Parliament again or to lead the party at the polls in September.

Meanwhile, the Liberals, cautiously and astutely led by W. L. Mackenzie King and Ernest Lapointe, were trying to embarrass the Conservatives

by refusing to debate at length either the budget or government legislation, by demanding that the Easter recess be one week instead of five, and by urging an immediate election.

Mr. King on April 12 reaped a further instalment of his reward for clever tactics when he goaded H. H. Stevens into indiscretions which seemed to split the Conservative party. Mr. King had protested because the report of the famous Price Spreads Commission reached the press three days before it was presented to Parliament. When Mr. Stevens regretfully admitted responsibility, Mr. King mentioned the Prime Minister's forcible reproof at the time that Mr. Stevens was ousted from the Cabinet

for alleged breach of joint responsibility. Mr. Stevens repudiated Mr. Bennett's version of his behavior and thereupon C. H. Cahan, Mr. Stevens's chief enemy in the Cabinet, read parts of the Bennett-Stevens correspondence on the ethics of Cabinet office and of membership of a Royal Commission.

This was enough to cause Mr. Stevens to let himself go at members of the Cabinet and their insincerity about social reform. His speech was greeted with cheers, not only from the Opposition, but from the Conservative back benches. He completed his performance by usurping the usual prerogative of the chairman of the commission and moving the adoption of the report as a private member. After all, it had been he who had agitated for and secured the commission and he had presided over it until his expulsion from the Cabinet. Sir George Perley, Acting Prime Minister, took command of the House without giving Mr. Cahan (who had not been applauded) a chance for further reply.

There were other bits of political vaudeville during April which had their connection with the pre-election situation. They revealed that the Conservatives needed Mr. Bennett's vigor to end their schism and to give them the campaign keynote, but it was reported that before Mr. Bennett left for England he had refused to take Mr. Stevens back into the Cabinet. The Liberals, who were regaining the ground they had apparently lost at the end of 1934, did not commit themselves to anything beyond maintenance of the Constitution and Provincial rights. They attacked titles of honor and the treatment of the unemployed and issued a warning against engagements arising out of the "informal conversations" of the Jubilee Imperial Conference. Liberal opposi-

tion to regimentation as leading to fascism and the loss of personal and political liberty was very general.

The election platform of the Conservatives, apart from their perhaps unconstitutional program of moderate social legislation, seemed to be acceptance of the prevailing North American device of distributing public funds. The increased Provincial subsidies were impressive and about \$30,000,000 of the 1934 public-works allotment was still to be spent. Guaranteed railway loans of \$15,000,000 were to be used for new equipment and were to be accompanied by an \$18,000,000 construction program. A proposed Dominion advance of \$10,000,000 would, it was hoped, stimulate \$50,000,000 worth of new housing by drawing out private funds for first mortgages. Expansion of public credit in 1934 resulted chiefly in a record contraction of bank loans, but the 1935 program was designed to get the added money into circulation.

The long awaited Report of the Price Spreads Commission, with its 7,000,000 words of evidence distilled into 439 pages, was given to Parliament on April 12. The most important of its almost mandatory recommendations was for the creation of a Federal Trade and Industry Commission, similar to the existing Board of Railway Commissioners, with powers of law enforcement in supervising business and in repressing unfair practices. Other sections of the report concerned prices and the marketing of raw materials, regulation of weights and measures and standards, secret rebates by canners, low wages, voting trusts, overcapitalization of the milling industry, the marketing of livestock and fish and the enforcement of minimum wage and maximum hour laws in cooperation with the Provinces.

Depression and drought in Alberta have produced a characteristic political spell-binder and a new political party in William Aberbart and the Social Credit League. Aberbart is from Ontario and a talented radio broadcaster. Owner and chief prophet of the Prophetic Bible Institute, he has simplified the social credit scheme so completely that Major Douglas has repudiated him. The common version of his promises is \$25 a month for every adult and his popular appeal has thoroughly frightened the older political parties now preparing for the Summer Provincial election.

CANADIAN TRADE

Canada's foreign trade relations have continued to be a matter of concern. The impressive representations made in Washington on March 18-21 against concessions to Canada in Secretary Hull's proposed trade agreement promised ill for any change wherever competition between the countries could be shown. The Liberal Opposition, agitated by Great Britain's recent preference for Argentinian or Australian to Canadian wheat, has concluded that as long as British goods find it difficult to surmount Canadian tariffs the condition will continue. It was announced in Tokyo on April 30 that a special committee would examine and report to the Foreign Minister on trade relations with Canada with the intention of making the Dominion revise its trade regulations, notably those applying to exchange equalization, under penalty of having its exports to Japan reduced or excluded.

There was no great change in the national economic scene during April. J. I. McFarland was still under Liberal fire on account of the government's huge operations in wheat. The Canadian price came a little closer to

Argentinian and Australian as the latter rose during the month, but exports remained much lower than in 1934. Mr. McFarland, who last October talked about the carryover being eliminated by August, 1935, revised his estimate of the surplus and fixed it at 127,000,000 bushels. Fortunately, the price for whatever wheat could be sold was substantially above that of 1934.

The small Conservative Opposition in Ontario staged a vain but remarkable filibuster against the bill to terminate the contracts of the public Hydro-Electric Power Commission with private Quebec companies. Subsequent negotiations showed that the measure empowered, rather than commanded, the government to act. Quebec followed this model of permissive authority for bargaining purposes in the long-promised paper bill of April 30. This allowed the government to raise stumpage duties from \$2.70 to \$12 a thousand feet for the purpose of forcing the producers to raise the price of paper. Ontario was expected to agree to this program.

Despite the statement by R. J. Manion, Minister of Railways, that amalgamation of the Canadian Pacific and Canadian National Railways would be a national calamity, the Liberals were convinced that Premier Bennett wanted to sacrifice the publicly owned system. There was great tension in the Railway Committee of the House of Commons between the Minister and C. P. Fullerton, chairman of the C. N. R. trustees. The Liberal members in the House and the committee tried unsuccessfully to force Dr. Manion to accept the recommendation of the recently discharged firm of auditors to eliminate \$1,000,000,000 of meaningless or misleading items from the debt structure of the National railways.

Cuba Under Army Rule

By HUBERT HERRING

THE breaking of the Cuban general strike in March and the dispersal of opposition leaders have left the army in complete control. President Mendieta still goes through his ritual as the head of the government, but it has become perfectly clear that the island is ruled by the canny ex-sergeant, Fulgencio Batista. Cubans holding dissident views find his dictatorship no more pleasant than that of other tyrants of hated memory.

The students continue their trouble making. Six thousand of them, after walking out of the University of Havana in February, were granted virtually all their demands by President Mendieta. They thus secured the resignation of two Cabinet members, and won virtual autonomy for the university, greatly increased appropriations and a wide degree of student control. They then proceeded to run the university to their heart's desire. They dismissed professors, changed rules and used the university halls for protracted and enthusiastic political sessions. They not only set forth the arguments for overturning the Mendieta-Batista régime, but laid plans for arming themselves.

These ambitious extra-curricular activities led to the closing of the university in March and its being brought under the control of the army. The army was still in charge on May 1, and showed no sign of retiring. Plans to reopen the university are under discussion, but the terms of the students and the government are so greatly at variance as to make it

exceedingly doubtful whether this can be done. The record of the University of Havana is of a piece with the record of other Latin-American universities. Mexico, Santo Domingo, Peru—everywhere student demands and political interference have brought similar demoralization.

Even the high school students worried the army dictatorship, and on April 9 all the high schools of Cuba were closed for the remainder of the term. This left only the primary schools functioning. A sizable army of university and high school students have been turned loose, as in the last days of Machado, to plot, to make bombs and to attempt the overthrow of the government.

The financial outlook in Cuba is brighter. Government revenue steadily climbs, and it seems likely that the total for the fiscal year ending July 1 will pass the \$60,000,000 mark. This would enable Cuba to resume payments on her foreign debt.

The sugar agreement with Washington is mainly responsible for this improvement. Sugar, however, continues to be not only Cuba's chief reliance but also her perennial nemesis. The Chadbourne plan, under which Cuba is allotted a quota of 930,000 tons to countries other than the United States, expires on Dec. 31. Unless a new international agreement assures Cuba some such quota in the world market, and unless the American quota of 1935 be continued for 1936, the Cuban sugar business will again find itself in a bad way.

In the meantime, Cuba seeks to improve her trade position by readjusting her tariff. A 25 per cent surcharge has been laid upon present import duties from countries that buy from Cuba less than half what they sell to her. This will affect her trade with a dozen countries, but chiefly with India and Japan. In 1933 Japan sold Cuba \$857,000 worth of goods, and spent only \$7,744. In the same year India sold Cuba \$4,055,000 worth of rice and jute bags, but bought only \$785 worth of Cuban products.

The Mendieta government announced on April 30 that general elections would be held on Nov. 1. This date was agreed upon by the four major old parties—the Nationalists, the Democrats, the Republicans and the Liberals. Conspicuous because of their absence from the arrangement were the ABC, the Autenticos and the students. It is doubtful whether anything approaching a fair election can be held if these three groups are not included.

SOUTH AMERICAN DEBTS

Arthur Souza Costa, Brazil's Finance Minister, on his return recently from Washington said: "No other country recognizes and desires to fulfill her obligations to a greater extent than does Brazil. At the same time we have only one means of doing this—the product of our own labor. Thus it is absolutely essential that the United States and Great Britain buy from Brazil in order that Brazil can meet the obligations she has assumed in the past."

This statement from Brazil epitomizes the stand that is being increasingly taken by the South American countries. Argentina has ruled against countries with which she has an unfavorable trade balance and contends that the United States, for example, must buy enough in Argentina to cov-

er the government's annual debt payments to the United States, and that until such payments are covered, there will be no exchange available to importers who wish to buy American goods. This provision is directed not only at the United States, but also at fifteen other countries.

Uruguay has taken even more drastic action. She has ruled that only 75 per cent of Uruguay's sales to the United States shall be spent here, including payments on debt and purchases of gold. Chile professes herself willing to resume small payments on her debt, but the size of these is to be determined by the volume of her nitrate sales. Brazil earmarks 35 per cent of all exchange created by exports for "gesture" payments on her foreign debts.

BRAZIL WARS ON FASCISM

Brazil's National Security Law, signed by President Vargas early in April, was a declaration of war against the country's rapidly growing Fascist movement. According to the terms of the law, "only the State has the right to form militias." The Integralistas, or Green Shirts, were thereby outlawed. The Federal Government immediately availed itself of the authority of the new law, and on April 7 placed the State of Pará under martial law.

The Integralist movement was launched in the State of Sao Paulo in 1933 in opposition to President Vargas. Its green-shirted militia has grown rapidly under the leadership of Plinio Salgado until it now boasts organizations throughout the States of Sao Paulo, Alagoas, Bahia, Espirito Santo, Pará, Pernambuco and Rio de Janeiro as well as in the Federal District. Conservative observers admit that the movement has 100,000 members and perhaps double that num-

ber. That it has secured a foothold in the army seems probable.

Intensely nationalistic and anti-foreign, the Integralistas are opposed to communism of all shades. Among their slogans is "God, Nation and Family." The chief significance of the movement is its nation-wide appeal. Brazil has been dominated throughout her independent history by the dogma of States' rights, and political feuds have been chiefly between States. Her attack upon fascism is being eagerly watched in other South American countries where such movements are growing.

MEXICAN SILVER POLICY

When President Roosevelt announced that the United States would pay 77.57 cents a fine ounce for silver, the Mexican peso was pegged at 3.60 to the dollar. The news from Washington set the speculators to work and the dollar was driven down to 3.30. The Mexican Government promptly countered by closing the banks and by calling in all silver coins. Mexico is determined to hold the exchange at 3.60 because of the trade advantages it hopes to enjoy.

Mexico, as the world's largest producer of silver, is a substantial gainer by the policy of Washington, as her tax on silver production rises progressively as the price increases. Her immediate task is to issue a new currency of copper and paper to take the place of silver. The United States Treasury has offered to lend Mexico the facilities of the American mints to speed this transfer.

The Mexican business community, which had become alarmed by rumors that President Cardenas held Communist beliefs, was reassured when he declared on April 13 that "communism is not my doctrine nor the inspiration of my policies." "Private

enterprise," he said, "can count on full guarantees and securities." It has been gradually dawning on the minds of many, both within and without Mexico, that Mexican radicalism has a character quite its own, and that European labels scarcely fit it.

Strikes spread throughout Mexico during March and April, and a general strike loomed as a distinct threat. Bus lines in Mexico City ceased operation, tying up the transportation facilities of at least 100,000 people. The street car workers went on strike. In Puebla, third largest city of the republic and the leading textile centre, a general strike halted all industry until President Cardenas personally intervened. Electricians struck in Tampico, depriving the city of light and power. Oil workers and seamen in Tampico also quit work.

The explanation of this unrest is to be found in the history of the Mexican labor movement. Labor was promised much by the 1917 Constitution, and the machinery for fulfillment was boldly set up. But organized Mexican labor, represented in the CROM (the Mexican Federation of Labor) under the leadership of Luis N. Morones, steadily lost ground. Since the fall of Morones, labor ranks have split, and the more radical left-wing leaders have gained increasing power. In the meantime the government has become more and more conservative, and labor unrest has kept pace with the swing to the right. Now, with rising prices and increased prosperity throughout Mexico, labor's demands are becoming vocal. Its present complaints represent the accumulated discontents of the past seven or eight years.

PANAMA DEMANDS GOLD

The United States pays Panama an annual rental of \$250,000 for the Canal Zone. The treaty of 1904 pre-

scribed gold coin, but since the devaluation of the dollar we have been paying Panama with checks not redeemable in gold. This procedure is bitterly resented by Panama, and she has entered us on her national books as defaulters.

The gold argument is only one of many things which Panama holds against us. The relations between the United States and the isthmus republic which it created are not happy. There has been throughout the term of American control of the Canal Zone growing resentment over the discrimination against Panamanians at the employment offices in the Zone and also against the lower wages paid Panamanians. This resentment was fanned to white heat by the news from Washington that a bill was under consideration in Congress which would limit all employment in the

Canal Zone to American citizens. Fervent appeals against this measure went to Washington.

THE DOMINICAN REPUBLIC

The Dominican silence is ominous. This quite unimportant Caribbean republic, with its 1,000,000 people, is going through strenuous days with its booted and spurred dictator, President-General Trujillo. Virtually no news leaks out. Between the obvious lack of interest on the one hand and the rigid censorship on the other, President Trujillo is having a pretty free hand. The press is muzzled; there is no freedom of speech; men are afraid to talk even in the privacy of their homes. Spies are everywhere. Trujillo has recruited his own band of secret police. Political murders increase, while hundreds who dared to criticize have fled the country.

Britain Celebrates a Jubilee

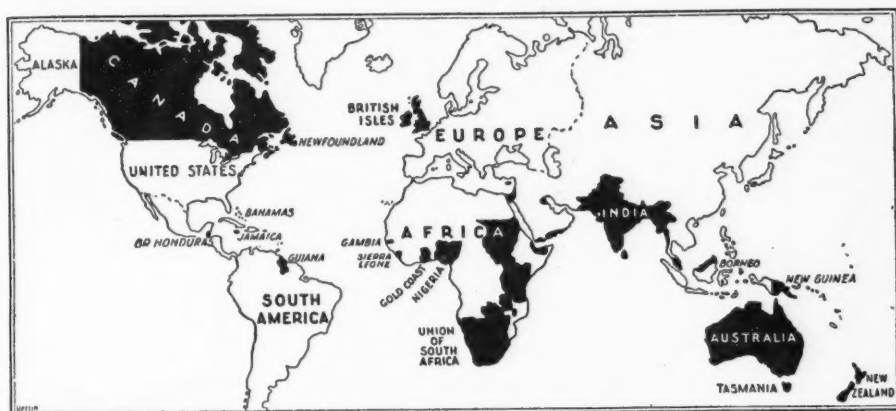
By RALPH THOMPSON

TWENTY-FIVE years is a long time for a King to reign, and in recognition of that fact the British Empire began on May 6 a month's celebration of the Silver Jubilee of George V. First there was a solemn Thanksgiving service at St. Paul's, London. Later came further pageantry and parading. Loyal crowds craned their necks to see, and all London glittered. With Westminster Abbey cleaned for the first time in centuries and Big Ben repaired and once more in good order, it was a fitting and proper atmosphere in which to sound high praises for King George and his quarter-century on the throne.

From the Empire there were many

and various marks of affection. In South Africa a Tuberculosis Jubilee Fund was gathering subscriptions. Cattle-rustling was temporarily forbidden by certain Indian tribesmen in token of their esteem. Welsh coal-mine owners agreed to mark the occasion by establishing an old-age pension fund for their employes. Gibraltar arranged a naval and military torchlight tattoo, with fireworks and bonfires on the summit of the great rock. And there were rallies, charitable drives, hockey tournaments and football matches, all uniting to honor the King-Emperor and his Queen.

Some of the King's subjects did not feel like cheering. The Irish Free State



THE FAR-FLUNG BRITISH EMPIRE

George V reigns over an area of more than 13,000,000 square miles.

was without an official representative at the London ceremonies. The Laborite Mayor of Bermondsey, a London borough, decided that money would be put to better use by sending thirty poor children to the seaside for a week than in offering official greetings when His Majesty drove through town. Ticket speculators who had bought up seats for the various spectacles found in some cases that they had overestimated the willingness of the public to pay £5 or £10 for a chance to gape at imperial splendors. Anti-monarchists had an unrivaled opportunity to let loose about "royal squandermania" and to express their opinion of the real meaning of "George and Mary all dressed up in their Sunday best." And the rejoicing at Weymouth on May 6 was marred by the fact that unemployed rioted outside the doors at the local Jubilee ball.

Perhaps more important than the Silver Jubilee itself was the fact that the occasion had drawn to London the Prime Ministers of the British Dominions. Though no official imperial conference was announced, it was well known that the visitors would confer with the heads of the United Kingdom Government on the all-important

question of imperial defense. Would the self-governing over-seas countries of the British Commonwealth lend their aid in another European war? That assurance, no doubt, would be more gratifying to the Crown than ten thousand messages of good-will. Yet the stark fact remained that up to the time of the gathering New Zealand alone of the Dominions had openly admitted her responsibility, and South Africa had no less openly denied it.

Conditions in Great Britain itself, however, were encouraging enough to send the Jubilee off to an auspicious start. Neville Chamberlain's budget, presented on April 15, was optimistic. Unemployment at the end of March had fallen to 2,044,460, the lowest mark since August, 1930. Iron and steel production during March was the best in four and a half years. Total exports for the first three months of 1935 were 10 per cent better than in the corresponding period of 1934, while imports had fallen 3 per cent. Bank of England gold holdings early in April were the largest in history.

Thus there was some justification for the cautious Mr. Chamberlain's

announcement that Great Britain had regained four-fifths of her prosperity. The actual figures of his budget showed that even more clearly. With a surplus of some \$25,000,000 in sight, he took an additional sum nearly as great from the Road Fund, and used the total to end cuts in government salaries, from those of Cabinet Ministers and judges down to those of teachers and policemen. Taxation on smaller incomes, moreover, was reduced to the tune of some \$50,000,000 a year, and taxes on inexpensive theatre seats were repealed. Even with these concessions, the budget was balanced.

Parliament and the country were greatly pleased. Certain knowing members of the Opposition talked about an "electioneering budget" (for elections are apparently not far off), and the Labor party taunted the government for failing even to mention the American debt. Sir Herbert Samuel and a few others were greatly exercised because the Exchequer's success was partly due to the questionable device of "robbing" the Road Fund. But on the whole no budget of recent years had been more favorably received than this, Mr. Chamberlain's fourth.

It was well for the reputation of the National government that such was the case. The Foreign Office under Sir John Simon had not handled the delicate European situation in a manner calculated to win the hearty allegiance of the British masses; one critic termed official policy an "execrable mixture of half-heartedness and half-headedness." Mr. Lloyd George's "New Deal" proposals were soon to be definitely appraised by the Cabinet, and since even Lord Snowden had given them his blessing beforehand, they might go far to bolster up the Opposition case. In all truth, regard-

less of hopeful economic signs, the strength of the government was not so great that an opportunity to curry public favor could be overlooked.

INDIA'S IMPOTENT LEGISLATURE

While the Government of India Bill continued to creep, clause by clause, past the on-the-whole approving eyes of the British House of Commons, the Indian Legislative Assembly in Delhi offered a prize-winning example of parliamentary impotence. The Legislative Assembly is British India's elected Legislature; a fraction of the population is given the privilege of voting to fill approximately two-thirds of the seats. But so effective are the "safeguards" granted to the Viceroy that the Opposition can be completely put aside if it becomes embarrassing. Recent events demonstrate this with painful force.

Late in February Sir James Grigg, Finance Member of the Government of India, brought up the question of finances for 1935-36. A budgetary surplus was at hand, and taxes on smaller incomes were reduced and large grants for economic development were promised. The Opposition was critical, however, and signalized its objections by reducing supplies for the Railway Board and Army Department to the absurd figure of one rupee (about 36 cents). Later the Assembly censured the government by voting to adjourn to discuss the shooting at Karachi—that now-famous incident when two platoons of the Royal Sussex Regiment, threatened by a mob on March 19, fired forty-seven rounds into the advancing throng and killed forty-seven persons.

On March 25 it was announced that the Governor General had used his emergency powers to restore the grants for the Railway Board and Army Department. The next day the

Assembly retaliated by voting to adjourn once more, this time to discuss the question of financial adjustments between India and Burma. Within a week, because of the so-called obstructionist tactics of the Congress party, the Viceroy had invoked his emergency powers in several other instances and had certified budget grants which the Opposition had rejected. On April 5 he sent a special message telling the Assembly that the Finance Bill should be passed in its original form and that none of the Opposition amendments was acceptable.

Thus, at least in financial matters, the Indian Legislative Assembly is a farce. The real power rests with the Viceroy. Perhaps, as government spokesmen charge, this power must be reserved; perhaps Indian politicians are irresponsible to a dangerous degree. The fact remains that the British Parliament is now framing a new—and supposedly more liberal—Constitution for India, and that under the new dispensation India's elected representatives will be still hedged round by the extraordinary powers of the Crown.

MR. DE VALERA'S TROUBLES

The embarrassing business of the Dublin transport strike continued during April to plague the Free State Government and to intensify the anger of Irish Republican forces. Despite the efforts of the Ministry for Industry and Commerce, no agreement had been reached by the first of May, and the two labor unions involved—the Amalgamated Transport and the Irish Transport—showed signs of beginning to fight each other as well as their employers. In the meantime, the public wore out shoe leather or made the best of the military lorries which had been pressed into service.

Where Mr. de Valera would eventually end up if he persisted in attempting to break the strike, no one could say. He made no further move against the Irish Republican Army, apparently satisfied that he had scotched their plans by arresting their leaders on March 26. But on April 7 some 20,000 I. R. A. members gathered together to honor one of their heroes killed in 1923, and on April 21 extremist Republicans boycotted the official ceremony commemorating the 1916 Easter Week rebellion and held an anti-government counter-parade. Irish Republicanism had not been subdued, and there were indications that it was becoming increasingly restless.

Where, it was asked, was the Irish republic that was to be established? Mr. de Valera tried to explain this point in a speech before the Dail early in April. A republic was still his aim, he declared, but it could not be at the moment achieved, and if those to the Right and to the Left attempted to rush the government it would be in order to destroy the government rather than out of patriotism.

SECESSION IN AUSTRALIA

Secessionists in Western Australia, largest State of the Commonwealth, have concluded one phase of their fight for withdrawal from the Federal Union. Armed with authority derived from a State plebiscite held in 1933, a delegation arrived in London late in 1934 to ask that Western Australia be declared a separate Dominion, free and independent of the Australian Commonwealth established in 1901.

A similar proposal had been made to the Federal Parliament and had been refused. Thus the only constitutional method open was appeal to the Imperial Parliament. But since there was considerable doubt as to whether the latter, in view of the Statute of

Westminster, had the power to receive such a petition, a Joint Select Committee was appointed to consider the case. This committee concluded its public sittings on April 17.

NEW ZEALAND FARM RELIEF

Apart from the inauguration on April 12 of Lord Galway as Governor General to succeed Lord Bledisloe, the chief recent event in New Zealand has been the enactment of laws to relieve rural debtors. Parliament assembled on Feb. 13 to learn that wages and interest had been reduced to a rational level but that rural land values were still too high. J. G. Coates, Minister of Finance, accordingly prepared two measures to adjust the balance. These were the Mortgage Corporation Bill and the Rural Mortgageors' Final Adjustment Bill.

The former, approved by the House of Representatives early in March, sets up a corporation owned half by the government and half by private

investors. Private investors may elect three directors, the State five, including the chairman and two joint managing directors. The corporation will take over private mortgages where the parties desire, and give in return interest-bearing bonds.

The second measure, passed on March 28, provides for the adjustment of farmers' debts if direct negotiations between creditor and debtor fail. Adjustment Commissions may order creditors to suspend the exercise of their rights in the event that a farmer has any prospect of ultimately satisfying his liabilities. Where a stay is ordered, property will be farmed for five years under supervision, with the income allotted to the farmer's maintenance, operating expenses and the satisfaction of creditors. At the end of that time a farmer leaving the land may be granted compensation for his services, this compensation to be payable by the mortgagee or purchaser of the farm.

Hard Times in France

By FRANCIS BROWN

THE disease of economic depression is eating into the vitals of France, and so far no remedies have been found to halt its ravages. The nation outwardly seems strong, fully capable of waging war or curbing the ambitions of an upstart Germany, but on closer examination there are signs of enfeeblement, which are growing more marked from day to day.

The gravity of this condition is illustrated by reports of banks and other business organizations for the first quarter of 1935. The Banque de Paris et des Pays Bas, for example,

has passed its dividend for the first time, in large part because of the decline in security flotations. Capital is stagnant, issues for February totaling only 32,000,000 francs compared with a monthly average in 1930 of 1,823,000,000 francs, and banks have had to be content with short-term loans and interest rates so low that there is no profit. Loans, when made, have seldom been for plant expansion or new enterprises; instead money is sought to cover deficits.

There are other angles from which the paralysis of French business may

be viewed. Carloadings were 9.59 per cent lower in the first quarter of 1935 than in the corresponding period of 1934, while the railway deficit reached 377,500,000 francs—a figure 14.22 per cent greater than the deficit for last year. Foreign trade is also off badly, exports falling 10 per cent and imports 20 per cent. The total value was 9,468,000,000 francs, a drop of 1,698,000,000 francs.

Declining tax receipts add to this doleful story. Revenues in the first quarter fell 353,500,000 francs below the total for the same period of 1934 and 798,500,000 francs less than the budget estimates. This trend, which was accelerated in March, is most inopportune since the Treasury, it is estimated, will need 17,000,000,000 francs in the course of the year to meet a budget deficit of 4,000,000,000 francs, a railway deficit of 3,800,000,000, a postal deficit of 800,000,000 and various extraordinary expenditures. Apparently the limit of taxation has been reached, if not passed, and yet deflation can go little further without causing still greater distress. The one escape from these difficulties, and that only partial, seems to lie in conversion of the public debt.

Frenchmen, however, found a ray of hope during April in improved employment. Unemployment reached a peak in February with a registered total of 503,000; by the middle of April the number had fallen by about 37,000. This slight shift was due in part to seasonal causes and in part to the retention of the army class which had been scheduled for release on April 1.

Some consolation could also be derived from the defense of the gold bloc which followed Belgium's desertion at the end of March. Though there could be no doubt that the Dutch guilder and the Swiss franc were hard

pressed, these currencies were not devalued and for the moment the French franc seemed safe. France, moreover, has signed an agreement with Belgium that aims at protecting French industry from a flood of Belgian goods. This accord is to run for six months pending the negotiation of a Franco-Belgian trade treaty.

In the midst of these economic troubles France continued to strengthen her defenses. When 120,000 young conscripts were called to the colors on April 23, the number of men under arms in the Third Republic was 420,000. Many of the new conscripts were stationed along the frontier—at Strasbourg, Metz, Thionville, Verdun, Mulhouse and Belfort.

FRENCH COLONIAL POLICY

The French Colonial Conference, after four months of study and negotiation, adjourned on April 13. Its meetings were not public nor have the voluminous reports prepared by subcommittees been published, yet enough information has leaked out to disclose the nature of the recommendations made by the conference. A vast schedule of the products of all parts of the empire has been prepared with a view to promoting trade and exchange between the colonies and the mother country. Already an accord for bartering wheat and rice has been reached with Indo-China.

The conference mapped out social and sanitary campaigns, programs for public works and schemes for extending credit. All these proposals and plans will, as the secretary of the conference said, constitute a "manual of colonial action" for years to come. To continue the work thus begun a permanent colonial bureau is to be set up in Paris.

While the conference was sitting, disorders in Algeria and Tunis re-

peatedly reminded the delegates that their work had real meaning. So threatening did the Algerian situation become that in March Marcel Régnier, Minister of the Interior, visited the region. He found conditions serious enough to warrant the taking of immediate steps by the government. President Lebrun on April 5 signed a decree imposing heavy penalties on any one who provokes "by any means disorders or demonstrations against French authority." At about the same time the government extended a loan of 550,000,000 francs to Algeria for the relief of distressed farmers and wine growers.

Nothing, however, has been done to meet the political and racial problems of Algeria. Moslems, because they practice polygamy, are unable to acquire French citizenship and thus do not participate in the government. French colonists, who number about 900,000 in a population of 6,000,000, dominate the Algerian department, much to the annoyance of native leaders. When to this political discrimination are added racial and religious differences, a pile of tinder is prepared which the spark of economic distress may set off at any time.

BELGIUM PLANS FOR RECOVERY

Belgium, after the critical March days, spent April putting her house in order. The Van Zeeland Cabinet forgot politics to further economic rehabilitation; temporarily at least the discords that have been so pronounced in Belgium died away and a new sense of national unity emerged.

Paul van Zeeland, the new Premier, outlined his program on April 24, in a special dispatch to *The New York Times*. The government, he said, is dedicated to the "resumption of business. This resumption depends basically upon the building up of a margin

of profit in commercial and financial enterprises. At the moment, a glance at the balance sheets of our companies and corporations will show that at least half of these concerns are working at a loss. * * * Our work, therefore, will be concerned both with sales prices and production costs. In costs of production we shall follow a policy of reducing the price of money and also one of cutting down taxation. We shall take care, notably, to reduce taxes that weigh far too heavily on industry and agriculture."

The Belgian Parliament on April 18 adjourned until May 28, leaving for later consideration some of the departmental budgets. Thus for a few weeks the Van Zeeland Government has its hands free for the working out of what has been called its "N. R."—National Renovation—program. "The Under-Forty Cabinet," such is the Belgian nickname for this government of young men, has definite ideas about economic planning. How far these will be carried into action no one can foresee, but observers have not overlooked the presence in the Cabinet of Henri de Man whose *Plan de Travail* has been adopted by the Socialist party.

The *Plan de Travail* includes the following points: Nationalization of credit with a view to coordinating the policies and operations of individual banks; nationalization of key industries, of transportation and communication, government control of private industries; large-scale public works program; shorter working hours, minimum wages, and so forth. In discussing his plan, M. de Man has said: "The principle which can give unity and dynamism to such an economic mixture is planned economy—that is to say, the use of political power with a view to creating the economic conditions in which consuming power

may be adjusted to production capacity." Such remarks seem to indicate that Belgium under Van Zeeland may be a far different sort of nation from Belgium under Theunis and his big business associates.

Devaluation of the belga gave at least temporary stimulus to business. Capital which had left the country during March returned in large amounts, though not in sufficient quantity to balance the total lost. Stocks rose on the Bourse, and prices, particularly of foodstuffs, increased. Unemployment fell in certain areas when the export trades revived as a result of the opportunity to sell goods abroad advantageously.

The government meanwhile was faced with two difficult problems: How to prevent domestic prices from rising rapidly and how to keep industry from dumping in foreign mar-

kets. The threat to lower tariff rates on many articles would, it was hoped, restrain manufacturers and merchants from raising prices unduly. As a further device for stabilizing prices the government distributed emblems in the form of stamps to all retailers and wholesalers who promised to avoid unnecessary price increases. Whether or not a licensing system would be required to restrain dumping had not become certain by the end of April; moral pressure was employed for the time being while the government assured foreign countries that Belgian goods would not be permitted to choke trade channels.

As proof to the world that Belgium has not been overwhelmed by economic disaster, a world's fair was opened in Brussels on April 27. Twice as many nations are participating as in the famous exhibition of 1910.

Germany's Business Outlook

By SIDNEY B. FAY

GERMANY, as during the past four years, remains desperately in need of gold. Though the gold reserve on April 25 showed a slight gain over previous months, it amounted to only 81,100,000 gold marks, and afforded only a 2.49 per cent coverage for the paper currency. The low point of 2.01 per cent was reached on Oct. 2, 1934. Many financial observers believe that lack of gold and of foreign exchange resulting from the decline in German exports will seriously hamper the Reich's rearmament plans, since the country will be unable to import the necessary raw materials.

Aided by the return of the Saar and the compensating effect of earlier bar-

ter transactions, Germany improved her foreign trade balance during March sufficiently to achieve an export balance of 12,400,000 marks, compared with an unfavorable balance of 162,000,000 marks during the first two months of the present year. German exports in March amounted to 365,000,000 marks, an increase of 21 per cent as compared with February. As in every March since 1925, part of the increase was seasonal, but this year it was larger than usual apparently because barter deals concluded months ago had just begun to affect the export figures.

Finished goods accounted for 24 per cent of this expansion in exports, raw

materials 11 per cent and foodstuffs 14 per cent. The chief European countries, Latin America and India were the principal participants in this trade. German imports in March amounted to 353,000,000 marks, a drop of 1.7 per cent as compared with February, despite increased raw material purchases. For the first time in months imports from the United States, particularly of cotton and metals, were greater.

German tax receipts continued to show a rising trend, the receipts for the first eleven months of the fiscal year being 23 per cent higher than in the corresponding months of the previous fiscal year. The government, however, failed to publish the budget estimates at the usual time, and this caused many observers to believe that there were difficulties in financing the deficits created by public works expenditures.

Unemployment, according to official figures, dropped 350,000 during March. The total number of unemployed at the end of March—including for the first time 53,000 unemployed in the Saar—amounted to 2,400,000, as compared with more than 6,000,000 when Hitler came into power in 1933.

The nation-wide Nazi Winter Help Campaign, providing for relief work under Hitler's slogan, "No one shall be hungry or cold," brought in 362,000,000 marks up to the end of March. This sum, gathered during five months ending March 31, was 4,000,000 marks larger than the amount collected during a six-months' campaign in the preceding year.

Nation-wide elections took place in mid-April in all industrial and business enterprises with twenty or more employees. These elections, in accordance with Chancellor Hitler's decree of May 1, 1934, for the reorganization of labor, were to choose the "confi-

dential councils" which represent the employes in their relations to the "leaders" or managers or owners of each industry or business. The employes or "followers" voted to accept or reject names on a list of candidates from the workers drawn up through joint consultation between the "leader" and a Nazi "cell-leader" representing the German Labor Front (the Nazi organization which absorbed the former German trades unions).

For Germany as a whole about 85 per cent of the candidates on the agreed-upon lists were endorsed by the employes as their acceptable representatives on the "confidential councils." In a few cases the list failed to receive a majority of the workers' votes, thus invalidating the election and leading to the appointment of the "confidential council" by the Trustee of Labor, a government official whose duty is to assure fair play between the interests of employer and employes. The official comment on the vote, which varied according to district from 72 per cent in Berlin to 91 per cent in Franconia, was: "An overwhelming majority of German working people in factories and offices, on agricultural estates and in governmental industries have pledged themselves to the Fuehrer's economic and social policies."

LUDENDORFF AND PAGANISM

General Ludendorff's seventieth birthday on April 9 was decreed by Chancellor Hitler as a day on which all Germany should display flags as on a national holiday. Newspapers carried laudatory articles for the man who was von Hindenburg's companion in war and who, for some reason, became bitterly estranged from him in peace. One of the small group who joined Hitler in the abortive Beer Hall Putsch of 1923, Ludendorff has since

been living in his country home near Munich, editing a paper in the interests of his new pagan anti-Christian movement.

Another expression of anti-Christian sentiment took place a fortnight later when some 15,000 members of the pagan "German Faith Movement" held a rally in the Sportpalast in Berlin. The meeting opened with an attack on the Christian confessions and intolerance, and with a tribute to Rudolf Hess, Hitler's party deputy, for his order in 1933 that no one should be hindered in his career in the party or the government because of his religion. Then followed long speeches by Count Reventlow, one of the ardent propagandists of the German Faith Movement, and by Professor Jacob Wilhelm Hauer of the University of Tuebingen, its founder and leader. (For a fuller discussion of German paganism see the article "The German Anti-Christ" on page 240).

While such pagan meetings were tolerated by the Nazi Government, rallies and public religious discussions were forbidden to the Lutherans and Catholics. During April several pastors and priests were arrested or imprisoned on one charge or another. But no decisive change took place in the struggle between the Opposition pastors and the official church headed by Reichsbishop Mueller. No final attempt, such as Dr. Frick had hinted at a month earlier, was made to subordinate all the Protestants to Nazi State control.

Anti-Semitism during April increased rather than decreased. It was reported that Jews would not be allowed to serve in the new conscript army and that the Nazis were considering establishing separate schools for Jewish children. A new list of 110 Jews who had acquired citizenship

since 1918 and who are now deprived of that citizenship was published. Goebbels's Berlin newspaper, *Der Angriff*, opened a campaign against Jewish owners of apartment houses, alleging that half the apartment houses in Berlin were still owned by Jews. Dr. Furtwaengler, who resigned as conductor of the Berlin Philharmonic Orchestra after his quarrel with the Nazis on account of his championing Hindemith, the Jewish composer, made his peace with the Nazis and resumed his direction of the orchestra.

NAZI ATTACKS ON THE PRESS

Max Amann, who as President of the Reich Press Chamber is virtually the newspaper dictator of Germany, and as director of the concern which publishes the official Nazi *Voelkische Beobachter* is interested in increasing its circulation, issued three orders on April 25 which, if rigorously carried out, seriously threaten the existence of rival bourgeois and professional papers. One order provided that newspapers shall no longer be published by anonymous stock companies but only by partnerships whose members can prove that their own and their wives' or husbands' "Aryan" descent goes back to 1800 and who in other respects are entitled to membership in the Reich Press Chamber. A second order, entitled "An Ordinance for Closing Newspaper Publishing Concerns to Eliminate Unhealthy, Competitive Conditions," provided that in any place where Herr Amann thinks there are more papers than the locality can profitably support he may shut down some competing with local Nazi organs. The third order for "The Removal of the Scandal Press" prohibited newspapers that "obtain their character and circulation by reporting events in a form not in accordance with their importance for

the public or likely to give offense or damage the dignity of the press."

AUSTRIAN AFFAIRS

The Austrian Government early in April brought twenty-one officers of the *Schutzbund* or Republican Defense Corps to trial for treason. The various counts against them included charges of treasonable activities over a number of years as well as in connection with the so-called Socialist Revolution of February, 1934. All the accused were sentenced to various terms of imprisonment.

Nazi activities seemed to be on the increase in Austria during the Spring. Swastikas were unfurled on Hitler's birthday and numerous demonstrations took place both in Vienna and in the Provinces. Austrian Nazis in Vienna were reported to have a secret organization which collects tribute from its members by compelling them to observe the first Saturday and Sun-

day of each month as a day of sacrifice. They must abstain from attending places of amusement, from using any means of transport and must fast. All savings thus effected must be handed over to the party fund.

NETHERLANDS ELECTIONS

Provincial Council elections in ten of the eleven Provinces of the Netherlands on April 18 resulted in the Government party's securing 57.5 per cent of 3,320,000 votes cast, compared with 61.9 per cent in 1933 and 67 per cent in 1931. The heaviest losses were suffered by the Liberals and the Clerical Protestants; the Labor party held its own. The striking feature of the election was the appearance of a new Dutch National Socialist party which secured slightly less than 8 per cent of the total ballots. The elections were important because the Provincial Councils elect the Upper House of the States General or Parliament.

Italy's Growing Military Costs

By WILLIAM E. LINGELBACH

STIMULATED by the rearming of Germany and by Abyssinia's refusal to be coerced, Italy during April continued preparations for possible war. "Italy will not break the peace," declared Mussolini on one occasion, but she must be ready for all eventualities.

The mobilization of three classes in the previous months, with two additional divisions authorized by Royal decree on April 13, and the assembling of the conscript class of 1914, which began on April 7, raised the total force under arms to well above 650,000 men. By April 19, there were 46,000 in East Africa, leaving over

600,000 at home for any possible European crisis.

Mussolini has urged repeatedly the need for developing a highly efficient air service. Speaking to 10,000 Fascists at the opening of the airport of Guidonia, he said that "the Fascist will to power" had already made many men and many things bow to it, and added significantly that "this will occur again in the days to come." The new military airport near Rome is regarded by military men as the most modern aeronautic centre of the world. The plant cost several hundred million lire and requires hundreds of

men to operate. Recent estimates issued by the War Department showed that Italy had 135 up-to-date air fields with 1,527 skilled pilots, 1,452 non-commissioned officers of the air division and more than 13,000 trained technicians, officers and men in the ground corps. Manifestly, Mussolini is determined that his great army of nearly 8,000,000 men, which the War Department estimated can be mobilized in case of need for a "defensive war," shall not be lacking in the most up-to-date offensive weapons.

A flood of applications poured into the Air Ministry during April for 1,300 pilots' posts and 4,750 jobs for technicians and mechanics. Hundreds of pilots and specialists among the reserves were to be recalled to the colors in May for training in modern methods. Mussolini wants to add a reserve of 10,000 pilots to the large regular flying division.

At the beginning of April the Abyssinian venture was estimated conservatively to have cost over \$30,000,000. Here and there criticism was heard of the heavy expenditures required for sending the expeditionary army to East Africa and for mobilizing such a large body of men at home, but the national enthusiasm has swept aside or silenced all objections. To the impartial observer, however, it is evident that the extraordinary costs of mobilization added to the heavy burden of the regular military establishments, of public works and of many other charges against the national revenues, create a financial problem of the most serious character. How is it all to be financed?

Italians will no doubt go on buying government bonds as they did so heroically in 1934, when 61,838,000,000 lire of 5 per cent consolidated debt was converted to 3½ per cent redeemable debt. But the bonded indebted-

ness of a nation, like its taxation, reaches a saturation point, and nothing short of war or a serious threat to national security can justify expenditures involving further obligations. Financial authorities differ, but they are fairly agreed that Italy's total indebtedness, including all forms of obligations from consols to current annuities and miscellaneous debts at the end of the last fiscal year, was nearly 150,000,000,000 lire, an increase of approximately 55,000,000,000 lire over that of 1922. What it will be on June 30, 1935, as a result of the great military expenditures of this Spring, no one can estimate with any degree of accuracy.

Notwithstanding the severe strain on the financial structure, however, Mussolini has reiterated his determination to adhere to the gold standard. The bank discount rate which was raised four months ago to 4 per cent to safeguard the lira was reduced during April to 3½ per cent in order to expand credit and stimulate business.

Mobilization has helped to reduce unemployment somewhat by speeding up war industries and by forcing some of the jobless into the army. When the order of March 23 was issued calling for volunteers for the Abyssinian campaign, men on unemployment relief had to enlist or lose their government benefits. Mobilization activities, coupled with results of Mussolini's trial plan during the last six months of the forty-hour week in certain industries, reduced unemployment from 1,056,823 on April 1, 1934, to 853,159 on April 1, 1935.

Official statistics published on April 16 claimed that nearly 200,000 had been absorbed in different occupations. At the same time, the government announced that the forty-hour week was to be made permanent. The new agreement—it has still to be signed—has

an additional article providing that Saturday afternoons are to be set aside for military training. To offset the reduction in wages of the shorter week, workers with large families are to receive a small allowance from a National Family Allowance Fund made up by contributions from workers and by employers. The arrangement also eliminates overtime work as a regular practice and provides for the replacement of women by men in "all work of a physically or mentally exhausting character." Since there are more than 1,000,000 women workers in Italy, this problem promises to be a serious one.

The unsatisfactory birth rate has again come in for severe criticism, Mussolini's journal, *Il Popolo d'Italia*, denouncing birth control as "gymnastic love" which destroys the healthy radiance of woman. According to The Associated Press, a warning has been issued by the head of the National Balilla Society that unless the birth rate is maintained at 20 per 1,000 or above, in accordance with the spirit of the Fascist régime, funds for building Balilla headquarters, playgrounds and training camps will be reduced in the offending districts and towns. Mussolini's ten-year demographic campaign calls for a population of 60,000,000 for Italy by 1943, provided always that such things can be brought about by decrees.

The economic indices for the past months are not encouraging. Prices have continued to rise since the beginning of the year—staple foods from 4 to 5 per cent, and metals and chemicals even more. Wages and salaries have fallen, at the same time that the purchasing power of the lira has declined, with the result that the standard of living is being forced downward. Foreign trade suffered from the March decrees against im-

ports, though some relief came as a result of the new trade agreements by which Italy is guaranteed equal value for goods exchanged—a program of raising exports by import quotas. The system is working out most satisfactorily with Russia.

POLITICAL CRISIS IN SPAIN

The stop-gap government formed by Alejandro Lerroux on April 3 lasted exactly a month before the Premier once again placed his Cabinet's resignation in the hands of President Zamora. When Lerroux formed his Ministry in April Catholic Action was not consulted, largely because of President Zamora's distrust of that party and Gil Robles, its leader. This ignoring of Catholic Action aroused its members, and Gil Robles declared: "On May 3 we shall be back in the Cortes and then the Ministry will not last three minutes."

In order to gain time and avoid the confusion of an immediate change in government, Lerroux had President Zamora suspend the Cortes for a month; the decree was issued in the *Official Gazette* on April 5. It was the prospect of the reopening of the Cortes on May 6 that brought about the resignation of the Lerroux Cabinet on May 3.

During April the Lerroux government tried to liquidate the October revolt in a spirit of moderation. This was in direct contrast to what the Left press calls the "mad demands of the Right for sanguinary justice." Toward this end, the "state of war" in the Provinces of Madrid, Catalonia and Asturias was annulled on April 14. Civil law replaced martial law, though a "state of alarm" was ordered maintained. As further evidence of a conciliatory policy, Catalonia was given a large part of the autonomy granted in the Statute but taken from her as a

result of the revolt. The Catalans are again to be entrusted with the administration of justice and education, but not with the police service which for the present, at least, is to be retained by the Madrid government. Amnesty was also announced for political refugees abroad.

The municipal elections scheduled for April 14 were postponed, but in advance Gil Robles ordered all Catholic aldermen of municipal councils to resign to secure freedom for political action. He also issued a manifesto intimating the early dissolution of the Cortes and directed all district leaders of C. E. A. D., the coalition of the parties of the Right, to be prepared immediately for the general elections.

President Zamora, fearful of the monarchical elements in Catholic Action, threw all the weight of his office to the side of middle class Republican control as exemplified by Señor Lerroxx and the Radicals. The next few months will probably reveal the extent to which Catholic Popular Action, having accepted the Republic and adopted Christian socialism as its platform, has won the support of the Spanish people. That the official control of the election and the influence of the government in power will be on the side of the opposition is now clear. But the current in the direction of the Right has been very strong and it is doubtful if the opposition of Leftist groups, even if they can unite in opposition to what their leaders describe as the menace of the re-establishment of clerical control, will prevent an overwhelming victory for Catholic Popular Action.

The Lerroxx Cabinet during its short life conducted a businesslike administration. A new bond issue of 600,000,000 pesetas (the peseta stands at about 13.69 cents) at 4 per cent, one-half of which was to retire an

older 5 per cent issue just falling due and the other half to steady the treasury account, wiped out much of the budgetary deficit. The military and naval program which, like so many national military programs of today, is "entirely defensive," was again considered. Its most significant feature is the modernization of the defenses of the Balearic Islands with a new supporting fleet of submarines, torpedo boats and other craft. The budget estimated the cost at \$64,000,000.

Agrarian reform and government planning were also pushed. Late in April the Minister of Agriculture announced a program for the stabilization of wheat and wheat prices through a Spanish company capitalized at 45,000,000 pesetas. A premium of 4 per cent is offered those who agree not to offer wheat futures.

Holy Week processions and festivities, which were revived last year in Seville and many other cities of Spain, were celebrated this year with unusual pomp. Thousands of visitors—police estimates put the number at 100,000—crowded the streets and churches of Seville.

Spain celebrated on April 14 the fourth anniversary of the proclamation of the Republic by a spectacular military parade in the morning, a gala bull fight in the afternoon and official ceremonies and speeches throughout the day. Thousands of people turned out to participate, and for the moment, at least, even the leaders seemed to forget that Spaniards were more divided today than they were in April, 1931. Yet the threat of class and regional strife is potentially present, the economic situation is very bad, promised agrarian reforms languish, budgetary difficulties have become chronic, and the Constitution is being attacked from all sides.

Trouble Brews in Danzig

By FREDERIC A. OGG

ONE of the most exciting electoral campaigns witnessed in Europe in a decade came to a close on April 7, when the inhabitants of the Free City of Danzig chose a new Volkstag, or lower house, to succeed the body dissolved on Feb. 21. Though officially it was insisted that the contest had no international significance, actually it took on the character of a dramatically staged test of National Socialist ascendancy.

As support for a vigorous and determined Nazi party in the electoral area, the National Socialists of Germany put all their prestige, resources and talent, including four Cabinet members, behind the campaign to win the two-thirds majority necessary to enable the Free City Constitution to be amended and the area to be transformed into a miniature Third Reich. The effort fell short, but by the narrow margin of five seats; the Nazis elected forty-three Deputies (a gain of five over the election of May, 1933), while the combined opposition elected a total of twenty-nine. With the Senate already in Nazi hands, National Socialist dominance was assured of continuance. The main objective, however, was not attained.

Poland, of course, was more vitally concerned than any country except Germany. If she had doubted that the future of the Free City and the Corridor was at stake, she was left in no uncertainty by Nazi orators, like Julius Streicher, who boldly proclaimed "the hour of Danzig's deliverance would come. Nazi cam-

paign terrorism extended equally to Socialists and to Poles. Polish workers were dismissed by German employers for taking part in Polish meetings; Polish flags were torn down; Polish inhabitants were beaten and otherwise molested; Polish journalists were jailed and Polish newspapers confiscated. While Dr. Casimir Papée, Polish High Commissioner, lodged protests with the Senate and hinted at appeals to the League of Nations, Vice Minister of Finance Lechnicki journeyed from Warsaw to address the Polish inhabitants and to assure them that "as long as the Vistula flows into the Baltic nothing will change at the river's mouth."

On the whole Warsaw was well satisfied with the outcome. While only two seats were captured by candidates running as Poles, the Polish popular vote was 8,310, as compared with 6,743 in 1933. More important, the failure of the Nazis' supreme effort was construed to mean not only that the Free City would not soon be refashioned on the Hitlerian model, but also that the Nazis' majority would be insufficient to permit any adventurous policy such as attempting to break down the right of the League of Nations to act as a guarantor of the present Constitution.

Strong feeling persisted after the election, and ensuing weeks witnessed incidents scarcely calculated to allay it. On April 10, the Nazis returned to the attack by suppressing for five months the Socialist newspaper *Volkstimme* because it reprinted an article

from a Polish paper. Anti-German demonstrations became widespread in the Corridor in the middle of April, when in riots at Malickzack, Wejherow and various other centres in the neighborhood of Gdynia many persons were injured and considerable property was destroyed. A week later, ten German members of the German Union were arrested at Kepno, near the German border, and were charged with trying to swell the membership of their organization by spreading rumors of an impending plebiscite that would give the district back to Germany. By the end of April tension was reported all along the German frontier. Behind it lay a thousand years of enmity between Germans and Poles on the Baltic Coast, while immediate impetus, on the Polish side, was undoubtedly supplied by the belief that the time was ripe to vindicate alleged Polish rights.

POLAND'S NEW CONSTITUTION

With the promulgation in the *Official Gazette* on April 23 of the new Constitution voted in final form by the Sejm on March 23, the Polish Republic apparently entered upon the third stage of its history. The first stage, which began with the rise of the nation at the close of the World War and the adoption of the Constitution in 1921, was marked by stormy politics resulting from the efforts of an inexperienced people to carry on a parliamentary government. The second stage dated from Marshal Pilsudski's memorable *coup d'état* of May, 1926, when dictatorship boldly raised its head, and was characterized by an almost complete eclipse of Parliament and by freedom of the government to interpret and apply or ignore the Constitution pretty much to suit its own ends. The stage now beginning has been heralded by a sympathetic press

as one in which the reign of law is to be restored, though a reading of the new instrument conveys rather the impression that what has actually happened is the legalization of the system in force during the past nine years.

At all events, President Moscicki's signature of the document was acclaimed as an act of major importance. The ceremony was witnessed by the marshals of the Sejm and Senate, the Premier and members of the Cabinet with the exception of Marshal Pilsudski and Foreign Minister Beck. A salute of 101 shots from a battery placed on the bank of the Vistula below the palace announced the event to the country. It was understood to be the government's intention to call Parliament in extraordinary session within a few weeks to enact a general electoral law, after which a new-style legislature would be chosen to replace the one, dating from 1930, which in effect signed its own death warrant by voting the Constitution.

CZECHOSLOVAK AFFAIRS

Czechoslovakia shows a growing distrust of Germany. In the face of warlike preparations by the Reich, the Czechoslovaks, although essentially pacific, are rapidly developing a military sense and a feeling of national pride in the army as their future defender. No longer are the officers and the soldiers unpopular; Ministers and politicians laud the army and the troops carry themselves with a new consciousness of their prestige and worth. Officers' pay is to be raised shortly. The air force is an object of particular pride.

It was announced from Washington on April 2 that a provisional commercial agreement had been concluded between the United States and Czechoslovakia. An exchange of notes be-

tween the two governments has bound Czechoslovakia to Secretary Hull's reciprocal trading program until a more formal trade agreement can be negotiated to take its place alongside those lately concluded with Cuba, Brazil, Haiti and Belgium. Unlike the more formal trade treaties, which contain lengthy schedules prescribing the rates of duty upon specific articles of import, the Czechoslovak agreement provides simply for: (1) Unconditional most-favored-nation treatment by each country for the products of the other; and (2) equitable treatment, as compared with that accorded to other countries, in regard to foreign exchange and import quota allotments.

The new accord is but one of several evidences of Czechoslovakia's present interest in trade expansion. A short time ago an Export Institute was organized; State guarantees for export credits have been extended; and commercial negotiations have been simultaneously advanced with Hungary, Austria and particularly Russia. With the Soviet Union a commercial treaty was signed on March 25 which, replacing a wholly inadequate one of June, 1922, deservedly took rank as one of the most important agreements of the kind.

HUNGARIAN POLITICS

Hungary on March 31 chose 183 members of Parliament in the rural constituencies by oral vote and a week later chose sixty-two members in the urban areas by secret ballot. As was generally expected, Premier Goemboes's National party won a smashing victory at the first trial of strength, securing 125 seats. To the surprise of political circles, however, the victory was almost as impressive in the districts where voting was secret. The final results, as announced on April

10, were, with the figures for the previous election in parentheses: National party, 172 (118); Dr. Tibor Eckhardt's party, 24 (22); Christian Nationals, 14 (26); Socialists, 11 (14); Liberals, 7 (7); Legitimists, 3 (7); Nazis, 2 (2). Other Deputies named were without party affiliations.

The government thus obtained more than 70 per cent of the seats, checked the Legitimist movement, weakened the Christian Nationals and Socialists, and made itself independent of Dr. Eckhardt's support. Count Stephen Bethlen, who for a decade and a half dominated Hungary's political life, and who, after previously supporting Premier Goemboes, turned sharply against him, was among the successful candidates, although perhaps only because of the somewhat condescending gallantry of his former ally who left him unopposed. He, however, entered the new Chamber with no group behind him. Rumors of a forthcoming reconstruction of the Cabinet were officially denied on April 10.

As is always true in States of South-eastern Europe, the party holding the offices and controlling the police proved well nigh invincible. It is but fair to note, however, that in the recent contest a large degree of freedom was allowed, every party and candidate being permitted to express opinions and present arguments on the stump and in the press. The election passed practically without incident, and there is little room for doubt that a majority of the nation sincerely desires to give Premier Goemboes a chance to put his reform program into effect.

RUMANIA'S ECONOMIC WOES

With important engagements to be met abroad in gold, a discouraging trade balance, an increase in the cost of living, a large budget deficit and

demands for inflation from many sides, Rumania is threatened with financial disaster. The new but inexperienced Minister of Commerce and Industry, M. Manolescu-Strunga, has been given by an agreement with the National Bank important powers in the distribution of foreign exchange coming to Rumania from exports. The United States, Japan, Norway and Latvia, all of whom sell to Rumania far more than they buy from her, have been told that no more commodities can be received from them under existing trade agreements. Great Britain, one of Rumania's best customers, was at first in a similar position, but after M. Manolescu-Strunga had visited London it was agreed that British imports from Rumania may exceed exports by 45 per cent.

Debate in the Chamber on the report of the parliamentary inquiry into the Skoda affair culminated on March 27 in a resolution recommending that two former Ministers be brought to trial in the Court of Cassation—General Cihosky on a charge of having signed a contract with the Skoda munition works of Czechoslovakia in 1930 for the supply of armament to the government on an illegal basis, and M. Popovici on a charge of having, through unwarranted interference, interrupted investigations which were begun by the fiscal and military authorities at the local office of the Skoda works in March, 1933.

BULGARIA'S CIVILIAN CABINET

A long-impending political crisis broke in Bulgaria on April 18, and a feverish day of arrests, resignations and incipient disorders culminated in the abrupt resignation of the Zlatev Cabinet. Ever since the royal putsch of last January which brought M. Zlatev and his colleagues into office,

the situation had been both confused and tense. The army officers, though split into two camps, played a dominant rôle in politics, while King Boris manifestly aspired to a more effective control.

The move which produced the explosion was the arrest and internment on the morning of April 18 of two former Premiers, Alexander Tsankov and Kimon Gueorguiev, on charges of activities aimed at keeping their respective political parties alive. The decree dissolving all such parties was promulgated originally by M. Gueorguiev himself, and the ban was supposed to be still in effect. Rather than approve the Premier's drastic action, three of the Ministers resigned; and, after a lengthy conference with the Supreme Military Council, the chief and his entire Cabinet resigned.

Disregarding military factions, King Boris called to the Premiership Andrew Tochev, a civilian, diplomat and historian who had served as Minister to Belgrade, Vienna, Istanbul and other capitals, but had previously taken no part in domestic politics. His government, when announced on April 21, was not only distinctly civilian but contained only one man who had been a member of the Zlatev Cabinet and not one who had served under M. Gueorguiev. Composed throughout of the King's men, the new group plainly represented Boris's effort to take advantage of the division among the military leaders in order to improve his position in the country and gain personal control over both home politics and foreign relations.

Throughout the crisis, sabers rattled, heels clicked and telephones buzzed in the royal palace, as rival military officers wrangled and manoeuvred for the upper hand. When it appeared that the army was to be left

out of the reckoning, a coup was set on foot to compel a revision of the King's plans. Once more, however, royalty triumphed. Getting wind of the plot, the sovereign forestalled trouble by summoning a score of the leaders to the palace. When they told him that they would not tolerate a purely civilian Cabinet, he had them arrested and ordered all important public buildings in the capital to be placed under special guard.

The impression that Tochev's selection portended a return to more normal political policies and methods was confirmed on April 22, when King Boris ordered the framing of a new Constitution and preparations for a civilian régime. On the same day, the internment of the ex-Premiers, who, incidentally, are mortal enemies, was terminated. Public order was maintained throughout the crisis, and it was generally believed that the King had come off with enhanced prestige and power, even though his position must long remain delicate.

COST OF THE GREEK REVOLT

The Greek rebellion in March was considerably less destructive than at first supposed. Government forces lost only ten killed and 100 wounded; the rebels, 200 killed and 600 wounded. The rebel warships were regained by the government with only superficial damage, and the money, amounting to 90,000,000 drachmas, reported to have been taken by the rebels from Macedonian and Thracian banks, was found actually not to have been taken at all. The only sum commandeered in aid of the rebellion was 1,500,000 drachmas seized in Crete, and this amount ex-Premier Venizelos has assured the Athens authorities he is prepared to repay.

These facts, as well as urgent counsel from the British Government and from many patriotic Greeks, have caused the aftermath of the uprising to be less rigorous than was earlier expected. A few leaders, after being duly tried, have been put to death; a larger number, adjudged less guilty, or at all events less responsible for what happened, have been imprisoned. A large number have been acquitted on grounds of insufficient evidence, and in general the matter has been handled with restraint. Many persons, to be sure, are still under arrest, in hiding or in exile. Among them is M. Venizelos, who is reported from Paris as saying that it was Italy that "let him down," that he "might today be master of Greece" if the Italian authorities had permitted General Plastiras to join him.

The dramatic disappearance of the Venizelist Liberal party, which for twenty years had played a major rôle in the country's affairs, has left the political situation altered and uncertain. Already the lack of a real opposition has produced dissension in the ranks of the Popular party under Premier Tsaldaris, and the Cabinet has required reconstruction. Nevertheless, the Premier and the victorious War Minister, General Condylis, have the situation in hand.

The principal sources of uneasiness in government circles were the demands of General John Metaxas and John Rhallis, who are for strong measures, and whose speeches and movements are denied publicity, and the confidence displayed by Royalists that the victory which they expected in the May elections would pave the way for a restoration of King George II to the throne which he lost twelve years ago.

Northern Europe Looks to Its Arms

By RALPH THOMPSON

THOSE intermingled fears and suspicions which cause nations to build up their defense forces have invaded even the Scandinavian countries and the small republics along the Baltic Sea. With the peace threatened and the apparent source of danger—Germany—a near neighbor, Northern Europe paid more attention to armaments in the past month than in many years past. Two groups of Foreign Ministers met to concert measures of protection—those of Norway, Sweden and Denmark early in April, those of Estonia, Latvia and Lithuania early in May. At home, meanwhile, budgets were stretched to the utmost to provide added military and naval strength.

The principal point of tension was Memel, where German-Lithuanian antagonism had been sharpened by the court-martial verdict against Nazi agitators announced on March 26. Although Governor Novakas of the Memel Territory resigned on April 5, his successor, M. Kurkauskas, was unable to placate German opinion, and the German press continued its cries of vengeance. The consequence was that the Kaunas government increased its military strength. In the State budget for 1935 the Ministry of National Defense received 18,500,000 lits (about \$3,000,000) more than in 1934. This increase is three times as large as all other budgetary increases put together, and makes Lithuanian defense cost nearly 30 per cent of total State income.

Lithuanian feeling was not im-

proved by the dispatch during March of a sharp note to Kaunas by three of the four signatories of the Memel Convention—Great Britain, France and Italy. These powers apparently protested that Lithuania was depriving Germans of their just rights in Memel and particularly that the local Legislature was not being allowed to function as it should. Lithuania's reply, which has not been made public, is said to have restated the danger of German propaganda and to have welcomed the possibility of League intervention.

In Finland a new air defense program was approved, and all airplane motors will come from local factories instead of, as heretofore, from Germany. An announcement from Riga on April 9 indicated that the Latvian War Ministry had received increased appropriations, and simultaneously Premier Ulmanis delivered a radio address explaining the need for enlarged expenditure. Denmark, fearful for Danish Slesvig, found a spokesman in Hans Rasmussen, leader of the Folketing, who declared on April 7 that "we should no longer allow foreign propaganda to be directed against Danish sovereignty. Our frontier is fixed and we must defend it."

While the Swedish Riksdag debated the arms-control measure introduced in February, navy and army chiefs demanded that the government's defense appropriations for the fiscal year 1935-36 be expanded to provide additional aircraft and warships. This demand was rejected by the Cabinet.

The arms-control law, however, was finally passed in mid-April. Immediate licensing of all munitions plants was urged by the lower chamber of the Riksdag; the upper chamber insisted that plants now in operation be allowed to continue uncontrolled. The compromise reached was that existing plants may carry on without license until Jan. 1, 1938. All new plants must be licensed from the start.

KREUGER & TOLL REPORT

Although it is more than three years since Ivar Kreuger killed himself in Paris, the task of straightening out his business affairs has not been completed. The 1934 report of the liquidators in the bankruptcy of Kreuger & Toll, recently published in Sweden, shows the complexity of the undertaking. Claims against the

Kreuger personal estate and affiliated companies total about \$750,000,000, and if Kreuger & Toll assets are a fair sample of the total assets, many a creditor will have to whistle for his money.

At the end of 1934 the Kreuger & Toll liquidators still had on hand a vast array of stocks and bonds of many countries. Certain blocks were of disputed ownership; others represented dummy companies; others remained unsold because no one would bid for them. The liquidators listed also an imposing schedule of "claims considered as good"; presumably these claims will net something for the creditors. Less hopeful are those called "bad or disputed claims." In this last category are many interesting items, including one against "Mr. Ivar Kreuger" for some \$80,000,000.

Russia and the Capitalist World

By EDGAR S. FURNISS

BY signing a pact of mutual assistance with France on May 2 (see Allan Nevins's article on page 288), the Soviet Union gave its foreign policy a new twist. To conclude with a capitalist State a pact that is so much like an old-style military alliance represents a complete reversal of the original Bolshevik foreign policy as derived from the tenets of communism.

Hardly less interesting is the Soviet-German credit arrangement concluded on April 9. It indicates the determination of the Soviet rulers not to let embittered political relations interfere with economics. It illustrates, too, the advantages accruing in the present

state of world commerce to those nations which administer their foreign trade as a government monopoly. For American observers it has additional significance in that the Soviet Union has by this action transferred to Germany large purchases which had been intended for the United States.

The agreement provides a five-year credit of 200,000,000 marks—some \$80,000,000 at the present rate of exchange—for Soviet purchases of German goods. Interest is to be 2 per cent above the Reichsbank's rediscount rate. Each nation binds itself to import goods from the other in amounts at least equal to a minimum value fixed by the agreement. The

Soviet Union will place in Germany orders totaling 200,000,000 marks in excess of current imports from that country. Germany undertakes to buy at least 150,000,000 marks worth of Soviet goods during the present year.

These details of the agreement, made possible by the foreign trade monopolies of the two countries, assure the Soviet Union the means of payment in goods for her German purchases while guaranteeing Germany a favorable balance of trade with the Union. Soviet purchases will consist mainly of railroad equipment which would have been obtained in the United States had not the failure to reach a settlement of the debt question postponed indefinitely the extension of credits by American banks. While it is denied that this agreement has political implications, the underlying assumption of a five-year period of stable trade cannot fail to have some bearing on relations between the two countries.

Of chief importance, however, is the preferred position given to Germany in connection with the far-reaching program of Soviet railroad rehabilitation. At present transportation facilities form the weakest part of Russia's military establishment. A vast program of rebuilding, extension and modernization has been laid out by the Soviet Government to overcome this weakness, and the nation that takes the initiative in collaborating in the enterprise may well expect to develop a very profitable business.

The sale of the Chinese Eastern Railroad together with other developments in the Far East has appreciably reduced the tension of Soviet-Japanese relations. The sale of the railroad is not only of itself a step toward peace, since it removes the Soviet Union from a dangerous entanglement in Manchukuo, but the ef-

fect of the prolonged negotiation upon the two countries has been wholesome. In the course of two years of conference both parties were persuaded to make a series of concessions that did much to reconcile their opposing views regarding their respective interests in Asia.

When the contract of sale was signed on March 23, Japanese expectation of improvement in Soviet relations was shown by the suggestions in the Japanese press that Foreign Commissar Litvinov propose means of settling certain remaining differences between the two countries. Japan asks for immediate consideration of her proposal to demilitarize the zone bordering on Manchukuo, and also a more definite settlement of the controversy regarding fishing rights. Of these two matters, the former is by far the more important, constituting in Japanese opinion the only serious threat to peace.

Litvinov replied that "the fishing problem does not present great difficulties, since the existing convention functions satisfactorily without arousing dissatisfaction on either side." With regard to the more critical matter of demilitarization, Litvinov was unwilling even to entertain the suggestion that it be discussed at the present time, hinting that the way might be cleared if the Japanese Government would first approve the Soviet proposal of a bilateral non-aggression pact.

The formidable military preparations of the Soviet Union in the Far East can be regarded as a source of danger only on the supposition that Japan intends to be the aggressor, for these forces are obviously only for defensive purposes. Now that Soviet interests in Manchukuo are extinguished, nothing that Japan does within that territory is likely to be a

cause of war. The Union has made it clear, too, that the Eastern army will not be used to defend China from Japanese aggression. Outer Mongolia remains a possible area of conflict because of the uncertainty whether Russian interests there are so clearly established that Japanese expansion in that direction would constitute an infraction of Soviet territorial integrity.

In general, however, the only real menace to peace is the danger of invasion of strictly Soviet territory, particularly the Maritime Provinces. This is the logic of the Soviet position that a non-aggression agreement rather than demilitarization is the first essential of security. At the moment the two governments are deadlocked over the priority of these two pacific measures. The Soviet military establishment in the Far East, according to unofficial dispatches, has actually been reduced as a consequence of the diminished tension resulting from the sale of the Chinese Eastern Railroad. The Russians, nevertheless, officially refuse to retreat on the question of demilitarization.

PRIVATE TRADE IN RUSSIA

The Soviet Government has been disturbed by the rapid growth of private trade since the relaxation of the rationing system. Although almost the whole supply of factory products is owned by the State, it is estimated that many thousands of people have obtained quantities of wares for illicit sale in the open market. The government does not forbid such private sale of handicraft wares made in the homes of workers; indeed, it encourages peasants on collective farms to increase their incomes in this way. Yet it is a serious offense against the principles of the Socialist system for an individual either to buy for the pur-

pose of selling again at a profit, or to employ wage labor in the private manufacture or sale of goods.

Artisans engaged in private industry must be licensed and pay a tax of 25 rubles a month. A recent governmental survey of the markets in Moscow showed that hundreds of individual artisans were evading the tax and that large numbers of people were violating the rule against employment of wage labor. Profits ranging from 35,000 to over 100,000 rubles a year were discovered in the case of some of these illegal activities. Similar conditions are reported in other large urban centres. The government announced in April a program of stern repression against these violators of Socialist principles.

This latest evidence of the vitality of capitalistic practices under the Soviet dictatorship will lend support to the opinion of many people that the profit motive is difficult to eradicate even by the most stringent of regulations. Apart from these broader implications of the matter, the present difficulties of the Soviet economic plan are significant as indicating an improvement in the general economic welfare of the Russian people. The practices complained of have been made possible in large part by the increasing productivity of Soviet industries, especially in such things as textiles and other semi-processed commodities. It is because these wares have grown more plentiful with the progress of the industrialization plan that private industry can now find a supply of raw materials to exploit. At the same time, the higher incomes of the people have created a popular demand for better goods than can be obtained from the government stores, and this factor, too, has encouraged illegal manufacture and sale.

Egypt's Dictator Goes

By ROBERT L. BAKER

FOR nearly five years the greatest political power in Egypt has been exercised not by Parliament, nor by the Cabinet, nor by King Fuad, but by Zaki El Ibrashi Pasha, a Palace official who was responsible only to the King. Nominally Director of the Royal Estates, Ibrashi Pasha has been in a real sense the power behind the throne. His great influence with the King was based upon his having managed his master's affairs so well that Fuad, who was poor when he ascended the throne, is now a very rich man. Not content to confine himself strictly to business, Ibrashi abused his influence with the King to secure the appointment of his reactionary and sometimes unscrupulous friends to important posts in the government, in the diplomatic service and at the great Moslem university of Al Azhar.

After King Fuad became virtually an invalid about a year ago, Ibrashi's power grew to be almost supreme. Two Premiers, Sidky Pasha and Yehia Pasha, resigned because of Ibrashi's interference. The latter had constant access to the sick monarch, while the Premier was frequently put off because of "the state of the King's health." The responsible head of the Cabinet could seldom be sure that decrees from the Palace were really the will of the King, a serious matter, as Fuad's powers were little short of dictatorial under the 1930 Constitution.

Ibrashi's activities became generally known, and, apart from his own clique, he was cordially disliked by the entire country. Yet he might have survived indefinitely had not the Brit-

ish Government decided to abandon, perhaps only temporarily, its policy of neutrality with regard to Egyptian domestic affairs and to intervene quietly but firmly against him.

The beginning of Ibrashi's downfall came last November, when British influence prevailed upon Fuad to accept the independent liberal, Nessim Pasha, as Premier. Before agreeing to take the post, Nessim imposed certain conditions upon the King, one of which is supposed to have been the non-interference of Ibrashi with his proposed reforms. On April 18, however, Nessim found himself so obstructed by the Palace that he informed Fuad that he would resign unless Ibrashi were dismissed. Again the British Residency brought pressure to bear upon the King, and on April 22 Ibrashi resigned. As a sop he was appointed Minister to Brussels.

With Ibrashi's removal, the prospect for administrative and educational reform in Egypt is brighter than it has been for many years. Numerous changes are expected, among them the dismissal of the present Rector of Al Azhar, a henchman of Ibrashi, whose policies have caused a succession of strikes by the students in recent months. The work of the institution was so disrupted that on April 10 it was closed until Oct. 1. A number of diplomats and high officials who owe their appointments to Ibrashi will also be replaced. At the end of April, King Fuad informed Nessim Pasha that he desired to return to the Constitution of 1923, a step that would mean the election of a

Parliament dominated by the Wafd, or Nationalist, party. Fuad has, in short, bowed to the inevitable.

On May 2, only a fortnight after the Mixed Court of Appeal had once more postponed the final hearing on how the Egyptian public debt should be paid, the Egyptian Government took the bit between its teeth and formally abrogated the gold clause in its international debts. British and Italian holders of Egyptian bonds have for some time been sympathetic with the Egyptian contention that payment should be made in its own currency, which has the value of sterling. The French bondholders will fume, as is their wont, but after all, Egypt has done only what several other and greater nations have done.

The Egyptian economic mission to Great Britain in mid-April appears to have spent much of its time in the usual round of luncheons and dinners and in hearing and making the usual speeches about the importance of good economic relations to diplomatic friendship. Hafez Afifi Pasha, the chairman, and his experts did visit Manchester, the Ebbw Vale coal pits and the Cardiff docks, but the purpose of the mission was purely exploratory and little is expected to come from it.

More important, from the standpoint of increasing the amount of Egyptian imports from Great Britain, was the revival of the post of foreign commercial adviser to the Egyptian Government. On April 11 the Egyptian Cabinet approved the appointment of Sir Geoffrey Latham Corbett as adviser to the newly created Ministry of Commerce and Industry. Since 1932 Sir Geoffrey has been chairman of the British Food Council, having previously been for twenty-eight years in the Indian Civil Service. As adviser

he will have an excellent opportunity to promote British trade interests.

IRAQI PARLIAMENT DISSOLVED

Growing friction between the Iraqi Parliament and a series of Cabinets appears at last to have persuaded King Ghazi that the trouble lay with the former, and on April 9 he issued a decree dissolving it and ordering a general election. According to the decree it had become impossible to carry out much-needed reforms in view of the lack of cooperation between the Chamber and the Cabinet.

Only a week earlier, the two tribal chiefs from the Middle Euphrates who had revolted in March descended upon Baghdad to demand administrative reforms. Although the avowed purpose of their visit was to proclaim their loyalty to King Ghazi, they brought an armed escort that required eighty-six automobiles to convey it about the city.

TURKISH AFFAIRS

In response to a request of the League of Nations the Turkish Government has agreed to grant Turkish nationality to some 2,000 White Russian refugees now resident in the country. Many of these voluntary exiles were thrown out of work by Turkey's drive against aliens in the professions and small trades and faced a dismal future. Now they will enjoy all the rights, and of course the responsibilities, of Turkish citizens.

During the week of April 22-27 the administration of all the principal cities and towns of Turkey was turned over to boys and girls from the primary and secondary schools, aged from 10 to 15 years. Their orders had only to be reasonable to be immediately carried out. Such experiments should do more than any number of courses in civics to interest Turkish

youth in the technique of government.

Some 300 delegates and visitors from thirty-five countries met in Istanbul during the week of April 18-24 for the Twelfth Congress of the International Alliance of Women for Suffrage and Equal Citizenship. Turkey was lauded for granting equal rights to its women and the seventeen Turkish women Deputies recently elected to the Grand National Assembly took an active part in the discussions.

The Turkish Government showed its determination to preserve the political monopoly of the Republican People's party late in April by ordering the dissolution of the Union of Turkish Women. It was held that since Turkish women now have equal political status with men they no longer need an organization that might, if continued, develop into a political party.

FATE OF THE ASSYRIANS

One after another, the proposed schemes for the settlement of Iraq's unwanted Assyrian minority have been abandoned by the League of Nations committee that is intrusted with finding it a permanent home. The latest disappointment is the unfavorable verdict of League experts as to the suitability of a district in the hinterland of British Guiana. Señor de Madariaga, in making this announcement on April 17, added that there was hope in another direction, since the French Government was willing to allow a considerable number of the refugees to settle in Syria, provided that no burden should be placed on the French or local budgets.

THE BRITISH AT AKABA

Early in April an agreement was reached between the Emir Abdallah of Transjordan, General Sir Archibald



Akaba—Britain's New Red Sea Base.

Montgomery-Messimberg, Chief of the British Imperial General Staff, and the civil and military authorities of Palestine and Transjordan by which British forces are to be responsible for the defense of Akaba, a small village-port at the head of the Gulf of Akaba, an arm of the Red Sea lying east of the Sinai peninsula. During the World War Akaba served as the base from which Colonel Lawrence and Prince (later King) Feisal made their forays against the Damascus-Medina Railway and, toward the end of the war, against the Turkish eastern flank and against Syria. Strategically, it is one of the most important points in the Near East.

IRANIAN MISSION TO RUSSIA

An economic mission composed of fourteen Iranian Government officials left Teheran for Moscow on April 22 to make an extended study of farming and industry in the Soviet Union. As King Riza Shah is reported to be projecting a five-year plan to develop Iran's industries, the real purpose of the mission may be to get first-hand information about Soviet economic planning.

Anti-Japanese Feeling in China

By GROVER CLARK

A DISAPPOINTED and aggrieved man left Shanghai for Japan on April 22 in the person of Akira Ariyoshi, Japanese Minister to China. Liberal-minded himself, he had been trying to allay anti-Japanese feeling, and apparently believed that he really had accomplished something in this direction. The Japanese military authorities in the country, however, kept insisting that there had been no lessening of the antagonism except in the lower Yangtse region, where the Nanking government exercised something more than nominal authority.

In order to appraise conditions, Mr. Ariyoshi called a conference of the principal Japanese consular officers in China shortly before he left. They confirmed not his hopes but the opinions expressed by the military. The Hankow and Canton consuls, according to press reports, said that in the central Yangtse and South China regions especially, the feeling against Japan remained as strong as ever and continued to show itself in serious anti-Japanese boycott activities. Mr. Ariyoshi was "much embittered," as the correspondent of *The New York Times* put it, "over the Japanese Army's frequent thwarting of his efforts to establish cordial relations with Nanking by unheralded aggressive activities and intrigues."

This situation suggested that Mr. Ariyoshi would not return to his post, except, perhaps, temporarily as Japan's first Ambassador to China if that rank be established by Japan, as it has been by Italy. The "strong policy" advocates, who completely dominate

the Japanese Government in Manchurian affairs, have been distinctly dissatisfied with the "mild" course that Mr. Ariyoshi has been following with Foreign Minister Hirota's backing. They got their way in the administrative reorganization in Manchuria, forced through the Cabinet last December, by which entire control of Japanese activities there was placed in the hands of the commander of the Japanese troops, who concurrently was given the position of Ambassador to Manchukuo. If they choose to assert themselves, the military authorities can again have their way in the handling of relations with China.

CHINESE MILITARY TRAINING

China has taken another step along the road toward becoming a powerful armed nation—the road into which the Chinese believe they have been forced by the acts of omission and commission of the Western Powers and Japan. On April 23, General Chiang Kai-shek ordered all male students above the elementary grades to undergo at least a year's military training. Furthermore, "military fundamentals" are to be taught even to the primary school students through training along Boy Scout lines. General Chiang expects that this move will make China a first-class military power in ten years, and provide her with 100,000 thoroughly trained reservists every year.

Until Japan moved into Manchuria in 1931 and the powers failed to see that treaty pledges were kept, even voluntary military training was looked

on with great disfavor by Chinese students. They belonged, they felt, to the highest class in society, that of the scholars; they would not disgrace themselves by training for the occupation of the lowest class, that of the soldiers. Since 1931, however, another feeling has been in evidence. A compulsory military training law passed three years ago has been accepted by a steadily increasing number of the schools, until nearly a fourth had put it in force this past year. Voluntary military training has become increasingly popular in the other schools. This most recent order will meet some opposition, of course, but far less than it would have three or four years ago. It will not be carried out in full, but much more nearly so than it would have been before recent events in the West as well as in Asia furnished what seems to the Chinese conclusive evidence that the world is still ruled by force rather than by reason.

General Chiang has pushed a program to make China powerful. Much has been accomplished toward building up an effective national air force, and army reorganization has been proceeding apace with the assistance of German advisers. Japanese military leaders have been pointing to these developments to support their argument that unless dominance is made effective soon, China will later become strong enough to resist.

CHINA AND SILVER

The American Government's action in raising the price of silver caused a new wave of uncertainty in China. The Chinese Government did not, however, tighten the already severe restrictions on silver exports. Finance Minister Kung tried to meet the threat of a further drain of silver by warning bankers and speculators on April

13 that, if necessary, stringent measures would be used to prevent shipments. On April 25, he issued an appeal to the people to "conserve the nation's money," urging them to patronize home industry and, as a means to this end, not to buy abroad.

Meanwhile, former Minister of Finance T. V. Soong had succeeded in persuading the foreign banks operating in China to enter into a voluntary agreement to assist the Chinese authorities by undertaking no transactions that would undermine the efforts to maintain the silver standard. More specifically, they agreed not to try to export silver, even if handsome profits could be made in this way.

The Chinese Government has taken another important step toward stabilizing the economic and financial situation. Just before the end of March it floated a domestic loan of 100,000,000 Chinese dollars, secured on the consolidated tax. It then turned over some \$65,000,000 worth of the bonds to the three principal banks, to be used as capital funds primarily for aiding industry. The Central Bank of China, which is a government institution, received the larger part of this \$65,000,000, but enough was put into the Bank of China and the Bank of Communications (formerly semi-private banks) to give the government majority stock control. Following this move, Mr. Soong was made head of the Bank of China and the directorships of all these banks were reorganized so as to unify them.

This move is being interpreted in various ways. Some call it a preliminary to the establishment of a managed currency. Others say it is a step toward better control of the issue of banknotes, or an attempt to keep the whole banking structure of the country from collapsing because of the American silver purchase policy.

It was the government that floated the new domestic loan. Apparently nothing will come for some time at least of the proposal put forward by the British for an international loan. On April 2 it was stated in London that Great Britain had suspended her efforts until detailed suggestions were forthcoming from the United States.

JAPAN AND THE LEAGUE

If the action of the Child Welfare Committee of the League of Nations, which began its eleventh session on April 25, is to serve as a precedent, Japan will be represented on the technical and other committees of the League only by special invitation. Before March 27, when her two years' notice of withdrawal from the League expired, Japan had been a full voting member of the Child Welfare Committee. On April 25, however, the Japanese representative sat only as an adviser. He will probably be voting again because the committee asked the League Council to invite Japan to give her representative voting status.

On March 27, Secretary General Avenol curtly announced that "the legal bond between Japan and the League ceases to exist. Japan no longer has any rights or obligations as regards the League." The Japanese representative at Geneva promptly took umbrage at the statement that Japan had no League "rights." He insisted that his country would continue to be represented on the principal League committees. The action of the Child Welfare Committee, however, indicates that the League authorities and the Japanese Government are assuming that any participation by Japan in League committee activities will come as a matter not of right but of League invitation.

The Chinese representative also had something to say. He wanted to know

what the Secretary General meant by saying that Japan had no "obligations" to the League. He pointed out that Japan had flouted her obligations by her actions in Manchuria before she served notice of withdrawal and that her obligations remained unfulfilled.

M. Avenol's statement raised the exceedingly pertinent question as to what League agency has the authority to say whether a League member has fulfilled its obligations and so has complied with the conditions for withdrawal laid down in Article I. In saying that Japan had no obligations, presumably he meant simply that she had paid her annual assessments and had met similar requirements of membership. Japan, however, still stands formally condemned by the League Council and the Assembly as having violated her obligations to keep the Covenant—a much more serious matter than that of failing to pay annual membership dues. Neither the Council nor the Assembly has acted on the specific question of whether Japan is entitled to withdraw in these circumstances, unless silence be interpreted as consent. M. Avenol took on himself the sole responsibility of giving Japan an honorable discharge. This certainly would seem to be a questionable extension of the authority of the Secretary General.

JAPANESE EXPORT TRADE

The question of how to overcome the rising barriers to Japanese exports continues to agitate Japanese business and official circles. Japan's latest move is to suggest trilateral or multilateral trade agreements.

In the pre-depression era Japanese sold a good deal more to Americans than they bought from them. Raw silk was much the most important item in the sales, and raw cotton among

the purchases. Then the price of silk went down and Americans turned to less luxurious textile materials. The value of Japan's exports to the United States decreased substantially. On the other hand, Japan's purchases of American raw cotton increased steadily and fairly rapidly as her cotton textile production grew. So it came about that, since 1931, Japan has had an unfavorable instead of a favorable balance of trade with this country, increasing year by year until, in 1934, the imports from the United States were nearly twice as great as exports (imports, 715,000,000 yen; exports, 400,000,000 yen).

With Latin America, however, Japan's balance of trade has been heavily favorable, and her sales to Central and South America have been growing despite the fact that her purchases from these countries have remained small. But most of the Latin-American countries have been raising their barriers against Japanese goods. (Among the results of this development was the statement issued by the Japanese Foreign Office on April 13 definitely charging that American business men are "feverishly agitating for the exclusion of Japanese goods from those countries," and adding the broad hint that Japan might buy less American cotton if, as a result of this agitation, her exports to Latin-America were reduced.) Several of the Latin-American countries intimated earlier in the year that they would be more ready to take Japanese goods if Japan bought more from them. The difficulty is, however, that they have nothing much to sell that Japan wants, with the possible exception of Brazilian cotton.

To meet this situation, the Japanese have proposed that trilateral trade agreements be entered into between the United States, Japan and the

Latin-American countries. This suggestion was made by the Japanese Ambassador to Secretary of State Cordell Hull in April and also by Japanese authorities in Tokyo to the group of American business men, led by W. Cameron Forbes, which now is in the Far East on a trade mission. The proposal has been left in general terms for the present.

Meanwhile, three unofficial missions from Japan have gone to Australia, and a fourth is being planned which probably will be headed by one of Japan's most distinguished diplomats. The obvious purpose is to stimulate good-will and Australian purchases of Japanese goods. Here again the question of trade balances arises, for Japan has been buying much more from Australia than she has been selling there, chiefly because Australia has wool which the Japanese want. Australian leaders, with a view to meeting Japanese wishes, are considering the possibility of readjusting tariffs and taking other steps to shift purchases from the United States to Japan, since Americans buy only a very small amount of Australian goods.

MANCHUKUOAN OIL MONOPOLY

The much discussed oil-sales monopoly went into effect in Manchuria on April 10, but it was not until the next day that the Japanese Government replied to the protest against this violation of the Open Door principle made by the United States on Nov. 30, 1934. On March 26, however, Tokyo had replied to an earlier British protest. The statements to Washington and London were along much the same lines, and reasserted the position taken by Japan since the controversy started last Summer: (1) That Manchukuo is an independent State, in whose domestic affairs Japan cannot interfere, though Japan

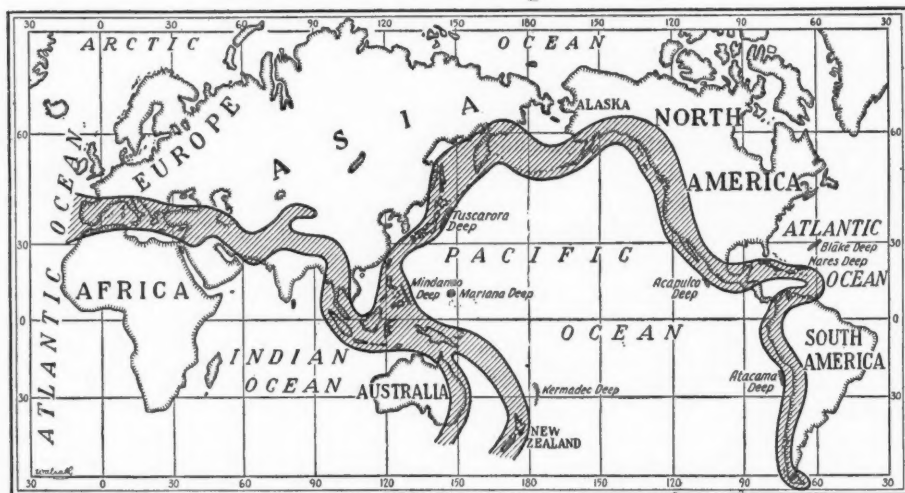
would be glad to mediate if the complainants saw their way to recognizing Manchukuo and opening direct negotiations; (2) that the oil-sales monopoly is not a violation of the Open Door principle and, in any case, Manchukuo's early pledges to respect the Open Door cannot be invoked, since the powers have not recognized Manchukuo.

Both Great Britain on April 13, and the United States on April 16, in replying to these Japanese disclaimers of responsibility, again insisted that Japan, as the creator and real controller of Manchukuo, is responsible for treaty violations in Manchuria, and that the oil monopoly does violate the Open Door pledges. Both London and Washington, in addition to repeating their earlier charges, specifically stated that they reserved the right to present to Japan claims for losses their nationals might suffer. The British note, as read by Sir John Simon in

the House of Commons on April 29, flatly accused Japan of violating the treaties; it declared that Japan, "far from using its undoubted authority to insure fulfillment of the assurances given by itself and by the Manchurian authorities regarding the maintenance of the principle of the Open Door in Manchuria and the fulfillment of treaty obligations, has attempted to justify an action that involves a clear breach of these assurances and obligations * * *. His Majesty's Government cannot but hold it [Japan] responsible for those losses that this will entail for British interests."

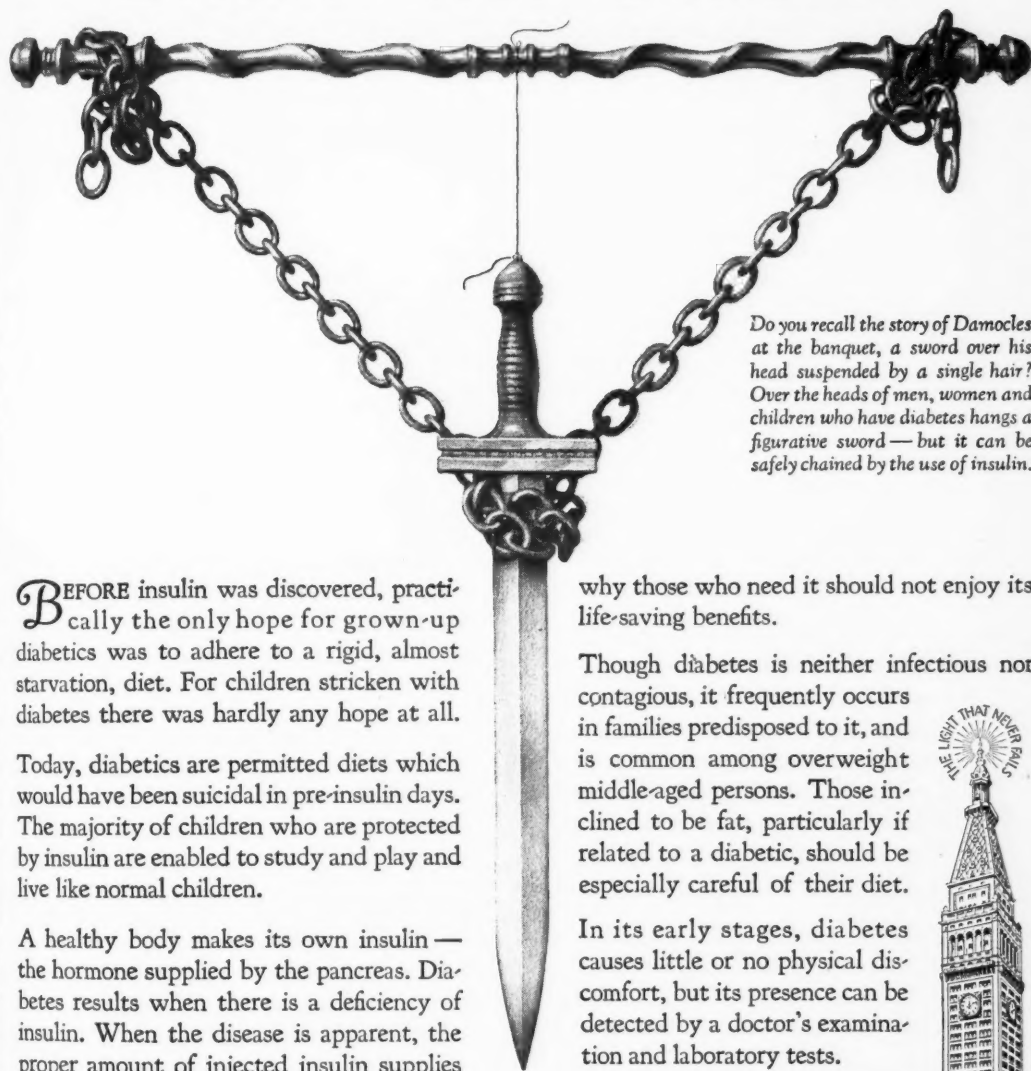
The American, British and Netherlands oil companies doing business in Manchuria are preparing to withdraw from the field, since they believe it will be impossible to do business satisfactorily under the Oil Monopoly Bureau even if they be allowed a share in the wholesale trade.

The World's Earthquake Belt



The shaded area shown in the map is the zone of greatest earthquake frequency because of faults in the earth's structure. Three regions in the zone were severely shaken during April and the first days of May. In the Japanese island of Formosa, 3,152 persons were killed and over 10,000 injured. A series of shocks in Northern Iran caused a loss of over 1,400 in killed and injured, and in Northeast Turkey casualties numbered 2,000.

Chain the Sword



Do you recall the story of Damocles at the banquet, a sword over his head suspended by a single hair? Over the heads of men, women and children who have diabetes hangs a figurative sword—but it can be safely chained by the use of insulin.

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why those who need it should not enjoy its life-saving benefits.

Though diabetes is neither infectious nor contagious, it frequently occurs in families predisposed to it, and is common among overweight middle-aged persons. Those inclined to be fat, particularly if related to a diabetic, should be especially careful of their diet.

In its early stages, diabetes causes little or no physical discomfort, but its presence can be detected by a doctor's examination and laboratory tests.

The Metropolitan will be glad to send, without cost, the booklet "Diabetes" which tells how to guard against the disease, describes its signs and causes, and gives information about diet. Address Booklet Dept. 635-K.



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A TRAVELER'S NOTEBOOK

OBSERVERS of Europe's tangled affairs on the whole seem to be agreed that there will be no war in the immediate future. On April 25, Lloyd's of London quoted odds of 20 to 1 against the outbreak of war within a year.

During King George's Jubilee celebrations this Spring, London's public buildings, hotels, theatres, office buildings, parks and palaces are being illuminated at night by special flood-lighting. The principal electrical decoration takes the form of massive crowns set with myriads of colored lights.

Perhaps the nearest approach on this earth to the golden streets of heaven are those of Broome, Darwin and Thursday Island in Northern Australia. These towns are the home ports of fishing fleets that supply three-quarters of the world's demand for pearl shell, and their streets are paved with crushed nacre, which glistens like opal in the sun.

Hawaii is said to be the only community under the American flag that has no roadside advertising signs. This is due to the women who pledged themselves not to buy anything that was advertised in such a way as to mar the scenic beauty of the islands.

In substituting steel girders for ancient wooden beams in the Vatican, the greatest care is being taken to prevent damage to the frescoes by Angelico, Raphael, Michaelangelo and other famous artists of the Renaissance.

Nearly 750,000 Hindus from all parts of India visited Calcutta on Feb. 3 to celebrate the Ardhodaya Yoga festival by bathing in the sacred Ganges. The river is believed by the devout to be a cleanser of sins. The British authorities, however, have so little faith in the purifying qualities of Ganges water that they took elaborate precautions to safeguard the city against epidemics.

On Oct. 30, 1935, the British Royal Military Corps of the Yeomen of the Guard will be 450 years old. Henry VII instituted the Yeomen at the time of his coronation. The corps originally numbered fifty, was raised to 600 by Henry VIII and reduced to its present number of 100 by Charles II. Nowadays they are to be seen at the Tower of London.

The Oxford University Press prints books in 568 languages. One of its employes has done nothing for ten years except set Greek type by

hand, though he does not know a word of Greek. The Press offers \$5 to any one who discovers a hitherto unnoticed mistake in an Oxford Bible.

Daily air service between Stockholm and Visby on the island of Gotland in the Baltic Sea is provided by the Swedish Aviation Company, the trip requiring only fifty minutes. Visby, meaning "sanctuary town," was the chief emporium of the medieval Hanseatic League and possesses a number of churches and other structures that date from the twelfth century.

In Moslem countries there is no grouching about the weather. If it be bad, then "Imshalah" (Allah's will be done). To complain of natural phenomena would be offensive to Allah.

The Valley of Roses, from which most of the world's attar of roses comes, is in Bulgaria. Because of overproduction, the government is experimenting with the American acreage-reduction plan and is offering a small bonus for the plowing under of inferior plants.

A "White House" that is to serve as the official residence of the head of the Chinese Government is nearing completion at Nanking. This executive mansion is small, containing only twelve rooms, but is to be entirely modern. It is beautifully situated near Purple Mountain, opposite the Sun Yat-sen Mausoleum.

The 600-year-old Town Hall at Breslau, Germany, which is built of wood, has been bolted together to keep it from falling apart. The bolts are sixty feet long.

An International Folk Dance Festival will be held in London from July 15 to July 20. One performance will take place on the grounds of Lambeth Palace, seat of the Archbishop of Canterbury.

The liners Berengaria, Homeric, Aquitania, Majestic and Britannic will all put out from Southampton on July 16 to take Jubilee visitors to see the great naval review by King George at Spithead.

Bouquets of fresh flowers can now be obtained from slot machines in Berlin.

Young Chinese boycotters of foreign-made goods have organized a "weeping corps." Its members fall on their knees in front of any one seen buying foreign goods and wail.



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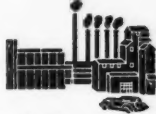
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Continued from Page VII

result is a well-organized, comprehensive compendium of the facts of Indian economy.

J. BARTLET BREBNER.

The Pipe Dream of Peace

THE PIPE DREAM OF PEACE. The Story of the Collapse of Disarmament. By John W. Wheeler-Bennett. New York: William Morrow & Co., 1935. \$3.

MR. WHEELER-BENNETT, who has closely followed the disarmament problem, declares that the end of hopeful efforts for a real solution came on Jan. 30, 1933, when Adolf Hitler overthrew the Weimar system in Germany. For that event France and Great Britain themselves were largely to blame, inasmuch as they persisted in keeping the puny German Republic in subjection. After describing the tedious negotiations of the conference, he reaches the gloomy conclusion that "all hope of disarmament, or even of security, is vain until the gangster element has been eliminated from international politics."

R. L. B.

Senator Hoar

GEORGE FRISBIE HOAR. By Frederick H. Gillett. Boston: Houghton Mifflin Company, 1934. \$3.50.

THIS is an old-fashioned biography of an old-fashioned statesman. Senator Hoar, the scholar in politics, mixed partisanship with independence to a degree rarely exceeded in his day. And yet he hated all mugwumps, even though on specific proposals he agreed with those who placed principle above party. Hoar's place in American history rests upon his courageous fight against the acquisition of the Philippines. But he made it a constitutional issue, for he and most of his supporters knew little or nothing of the economics of imperialism. If they had, would they have offered any opposition to Philippine annexation? That question suggests the point of view from which a really useful biography of Senator Hoar might be written. In his autobiography he told much that Senator Gillett now reviews; the additional material in this new life reveals no more of the man than was known before.

FRANCIS BROWN.

Contemporary Drama

TWENTIETH CENTURY PLAYS. Edited by Frank W. Chandler and Richard A. Cordell. New York: Thomas Nelson & Sons, 1934. \$4.

NEARLY all the plays in this collection representing the work of European and American dramatists, if not directly inspired by the war, reflect the changes it has produced in morals and manners. *Journey's End*, by Sheriff; *What Price Glory*, by Anderson and Stallings, and *The Miracle at Verdun*, by Chlumberg, are war plays pure and simple, and it is certain that Noel Coward would never have written anything in the spirit and tone of *Private Lives* if he had not been reaching manhood in the post-war generation. Even if such a transcript of life as Elmer Rice's *Street Scene* had been possible before the war, in that play the accent is distinctly of a later age of disillusionment. This collection of twenty complete texts is therefore of interest, not only

to students of the drama but also as a more vivid and arresting presentation, made possible by the playwright's art, of ideas and implications that concern moralists, social critics and historians. A. H.

The Documents of Peace

DOCUMENTARY TEXTBOOK ON INTERNATIONAL RELATIONS. A Text and Reference Study Emphasizing Official Documents and Materials Relating to World Peace and International Cooperation. By John Eugene Harley. Los Angeles: Suttonhouse, 1934. \$6.

THE value and convenience of this compilation to students of international affairs can scarcely be exaggerated. Between the covers of one volume are given a sketch of the efforts toward international cooperation before 1919 and then the texts of practically all the significant treaties, pacts, conventions and official statements of policy during the post-war period, accompanied by narrative and analysis wherever Professor Harley deems such glosses necessary. R. L. B.

Theodore Roosevelt and Japan

THEODORE ROOSEVELT AND THE JAPANESE-AMERICAN CRISIS. By Thomas A. Bailey. Stanford University: Stanford University Press, 1934. \$3.

DRAWING largely on unpublished Roosevelt papers and Department of State documents, Mr. Bailey gives a detailed, almost day-by-day account of how President Theodore Roosevelt handled the crises in American-Japanese relations which developed between 1905 and 1909 largely as a result of the anti-Japanese agitation in California. The book, as the author says, is a "chapter in American diplomacy." Within the limits set the ground is covered thoroughly. GROVER CLARK.

Scientific Discoveries


THE NEW WORLD OF SCIENCE. By A. Frederic Collins. Philadelphia: J. B. Lippincott, 1934. \$2.50

THIS book explains in simple language the more interesting of recent discoveries and inventions. Television, robots, photo-electric eyes, planetariums, stratospheric exploration, atom smashing and cosmic rays are only a few of the subjects that are described and illustrated by diagrams and photographs. The book is mainly a summary of the most important exhibits in the Hall of Science at the Century of Progress at Chicago, but numerous laboratories and observatories throughout the country have aided the author. R. L. B.

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